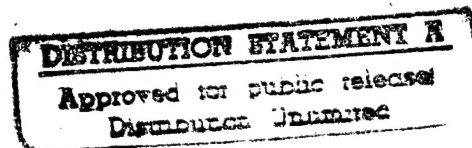


JPRS Report



Soviet Union

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**U.S., USSR to Develop Nongovernmental
Nonproliferation Experts**

924P0020A Moscow *NEZAVISIMAYA GAZETA*
in Russian 19 Oct 91 p 4

[Article by Andrey Zagorskiy and Yuriy Leonov under
"Contacts" rubric: "Control of the Nonproliferation of
Arms: Under the Conditions of the Disintegration of the
Country, It Can Be Implemented by Independent
Experts"]

[Text]

[Andrey Zagorskiy]

The first international seminar on the nonproliferation of different kinds of arms was held at Nakhabina near Moscow. It was organized jointly by the Moscow State Institute for International Relations of the USSR Ministry of Internal Affairs and the International Studies Institute in Monterey (United States).

The seminar begins a 2-year project, the objective of which is the preparation of a new generation of nongovernmental experts on this problem for our country. The group of 15 persons includes representatives of different occupations from different cities of the country.

The civilian society that is now coming into being is attempting to establish at least minimal control over the actions undertaken by the government. In many areas, however, everything comes down to one main problem—the lack of competent specialists capable of really evaluating proposed solutions and of developing alternatives. All of this applies in full to the nonproliferation of arms.

The disintegration of the USSR raised the acute question of the fate of Soviet nuclear weapons and not just strategic but also tactical weapons. The problem is not just in the existing arms but also in the presence of industrial capacities of the nuclear cycle beyond the borders of Russia. The desire to earn foreign exchange and conversion are pushing our nuclear complex toward more active participation in world markets. This tendency, multiplied by the development of the commercial sector, is conflicting with the task of strengthening the regime of nonproliferation of nuclear weapons.

The willingness of the USSR to supply weapons and materials to a number of countries—Pakistan, India, Israel, and Cuba—is causing serious concern. These and other facts were discussed at the seminar by Prof. William Potter, project manager on the American side. The situation is being aggravated by the USSR's lack of legislation and openness with respect to the export of materials and technologies that may be used in military production.

But as of today the country does not have an extensive network of nongovernmental experts who could not only give an independent appraisal of current decisions but also follow up on the processes taking place, especially here in this country.

Of course the Soviet-American project that was begun in Nakhabino cannot fully resolve this problem. But it will help to establish a new community of independent Soviet experts.

[Yuriy Leonov]

One of the American managers of the project, Prof. William Potter from the Institute of International Studies at Monterey, said: "We will be satisfied if even 4 of the 15 Soviet participants in the project become real specialists in the area of the nonproliferation of arms within 2 years. We want to give the Soviet young people an opportunity to have contact with the most experienced and well-known Western experts. We want to attract attention to our project from Soviet scientists, journalists, and politicians, that is, those who will be able to impart to the Soviet public an understanding of the importance of the problem."

Under the conditions of absolute shortages, uncertainty about tomorrow, and the striving for hard currency as the only stable support, it may very well happen that some newly arrived private dealer or unemployed nuclear scientist will sell a nuclear component, technology, or simply his own previously secret knowledge to the next Saddam at the going price. Even the potential possibility of this demonstrates the necessity of exercising both governmental and intergovernmental as well as independent (national and international in scope) control over the nonproliferation of arms.

International Arms Trade Criticized*92UF0208A Moscow TRUD in Russian 13 Nov 91 p 3*

[Article by E. Alekseyev: "More About the 'Death Trade': An Observer's Opinion"]

[Text] No matter what motives may be used to justify the international arms trade, it remains, in essence, a "death trade"—arms are sold so that, in the final analysis, some people can use them to kill other people.

When war broke out in the Persian Gulf, many persons clutched their heads and wracked their brains as to how this could be. Iraq, after all, had been armed, for the most part, by those countries which are permanent members of the UN Security Council! Also by Germany and several other "prominent" states.

In September, when Beatrix, Queen of the Netherlands, delivered a speech from the throne to the parliamentary deputies, she emphasized that the crisis in the Persian Gulf very clearly showed how dangerous it is to have an excess of arms and arms export without monitoring controls. In this connection, the Netherlands—together with other EC [European Community] partners—called for the adoption of a so-called registry of international arms within an UN framework.

A reasonable, sensible initiative. It is a great pity, however, that, while this has been going on, that same Netherlands has plans to sell six new submarines...to Taiwan. Would such a deal facilitate the improvement of the situation in just one of the world's regions? It is extremely doubtful.

And, in general, the "death trade" is proceeding at a very brisk pace. The above-mentioned Taiwan for example, wants to purchase 16 more frigates from France and is conducting negotiations with Germany and Italy. In addition to large-scale deliveries to the Middle East, the United States intends to sell 18 fighter planes worth a total of 347 million dollars to Thailand, 117 million dollars' worth of arms and equipment to South Korea, etc.

There is still an extremely widespread opinion that the USSR exports at least as much—if not more—arms as the United States. But here are some data cited by the authoritative, non-governmental, American organization known as the Center for Defense Information. During the current fiscal year the sales of arms and military assistance by the United States to other countries could reach an amount worth 41 billion dollars. Last year the proportional share of the United States in the world arms market had already increased to 40 percent of the total, whereas that of the USSR had declined to 29 percent. The Center's experts have noted the following: "Despite the fact that the 'Cold War' is over, and Soviet deliveries are decreasing, the United States plans to expand its arms exports. Such a policy is the result of pressure from arms producers in the United States who are interested and motivated to increase their

own profits and also pressure from the Pentagon, which desires to have an enormous arms industry.

And so, as we have seen, even according to American data, the United States has so far not been curtailing, but rather expanding, its own foreign arms business. Moreover, it is perfectly obvious that this is being done in order to accomplish at least the following three basic tasks. In the first place, arms shipments to one country or another allow a so-called "mutual understanding" to be strengthened with that country. In the second place, arms sales bring in extremely significant income, which everyone needs; and they are also utilized to improve the country's own arms.

But, of course, we could say all these things about our own arms exports as well. To be sure, there is a particularly noticeable difference between us and the United States in that the latter—as we have just seen—is increasing these exports, whereas we are reducing them. Why is that? Is it because we have decided to curtail them in principle? Or because we do not need "that kind" of money? Or will we no longer be improving our arms? In my opinion, we could ask a great many more questions on this matter than we could find answers to.

And some persons even assert that the reduction of arms sales is entirely a matter of necessity, inasmuch as these weapons do not stand up to the competition in the world's markets. I am convinced that this thesis is being applied to us by those persons who are well-acquainted with the high degree of competitiveness possessed by many types of our weapons. For example, we can easily obtain at least 20 million dollars for each MIG-29. And many countries are prepared to purchase them, including Germany and even the United States. And there are several more types of our warplanes and other weapons types which are highly regarded in the world's markets.

And again the question arises: Why then are we winding down our arms exports? Is it because of the general confusion and muddle? Or is it because of moral and ethical considerations, which have made a 180-degree turn—something which is likewise characteristic of us?

On the moral and ethical level we have obviously been compelled to take into account the morals and customs of the world community, in which we are actively seeking to become a full member. Without a doubt it is correct and noble for us to struggle to institute an orderly procedure in the arms trade. And we are not the only ones to put a complete halt to the "death trade"—something which has so far proved to be unrealistic—or at least to place it under some kind of monitoring controls.

In October this problem was the subject of a two-day meeting in London by representatives of the five permanent members of the UN Security Council—Great Britain [i.e., the United Kingdom], China, the USSR, the United States, and France. And it is specifically they who account for 65 percent of arms sales throughout the

world. At this conference the Earl of Caithness [Douglas Hurd], the Secretary of State for Foreign and Commonwealth Affairs, immediately mentioned that the history of the attempts to restrict or limit the arms trade is "littered with the rains of noble but failed initiatives." And here he emphasized that states should not be deprived of the right to purchase arms for the purpose of securing the right to self-defense, as guaranteed to them by the UN Charter.

It is fully obvious, then, that the converse is likewise true—that someone should have the right to sell them these arms. But to whom, how many, and to what would this lead? The participants in the London meeting adopted a communique. Therein they served notice that they would not take part in arms deals which would, in the first place, lead to stepping up an armed conflict, in the second place, increase tension and destabilize the situation in any region, and, in the third place, exceed the defense requirement of the country involved. Furthermore, the parties intend to "avoid" violating international embargoes, encouraging terrorism, and supplying arms to opposing factions or groups within a specific country.

You must agree that all this is more like a "protocol of intentions" than a concrete understanding or arrangement. To be sure, taking into account the specifics of the situation in the Middle East, the permanent members of the Security Council promised to inform each other about sales of tanks, armored vehicles, artillery, warplanes, and helicopters to the countries of this region. Was it not obvious that this information was for the purpose of exercising monitoring controls on each other?

We could add to this that the representatives of the five states involved welcomed the steps taken by the UN with regard to introducing a special registration of all operations for trading in conventional weapons. And they called upon the world community to support this plan. Indeed, now may be the time to see to it that at least a registry of arms purchases and sales throughout the world is compiled. Then at least we could see in specifically what region of our planet too much gunpowder is being piled up.

But, on the whole, it must be asserted that among the world's leading states a readiness has not yet matured to abandon the arms trade—to any decisive degree—as a means of securing their own military-strategic interests and of acquiring high profits. But it is high time for such a task to be assigned, and it must be carried out on the basis of mutual understandings. Because each such understanding will save a significant number of human lives. Or will we wait for new "Desert Storms?"

Shevardnadze on Resignation, USSR's Prospects

92UF0154A Moscow MEZHDUNARODNAYA ZHIZN
in Russian No 10, Oct 91 (Signed to press 23 Sep 91)
pp 5-14

[Interview with Eduard Shevardnadze, former USSR minister of foreign affairs, conducted by B. Pyadyshev,

MEZHDUNARODNAYA ZHIZN editor in chief, under the rubric "The Arcade": "The Choice of Eduard Shevardnadze"; date, place, and occasion not specified]

[Text] One may speak of the "phenomenon of Eduard Shevardnadze."

In the post of minister of foreign affairs he followed his own course persistently and with imagination, and so the pulse of perestroyka, which had faded away in other spheres of our life, continued to beat in foreign policy. He became a prestigious leader of the world diplomatic community, although he did not have as many trump cards as, say, Baker, Genscher, or de Michelis.

Eduard Shevardnadze clearly made his choice. His dramatic resignation in December of last year was a shock, but the warning about the threat of dictatorship proved prophetic. He has no less influence behind the walls of the USSR MID [Ministry of Foreign Affairs] than that which came from the official head of the diplomatic service. His firm position in the August days added new attractive features to the image of one of the most honored politicians in the country.

In the "Arcade" section, Eduard Amvrosiyevich Shevardnadze talks with the editor in chief of MEZHDUNARODNAYA ZHIZN.

"I now have the right to talk about this..."

[Pyadyshev] If Eduard Shevardnadze had remained in the main office No 708 in the MID building on Smolenskiy Square, what public stand would he have taken in relation to the GKChP [State Committee for the State of Emergency]? What words would he have used to address his associates in the Ministry and the Soviet ambassadors and diplomats in embassies abroad?

[Shevardnadze] My mode of action since autumn of last year and my statement of resignation give me the right to say that if I had been in the office of minister of foreign affairs, I probably would have tried to remain true to my views and principles. I would not have just refused to join the GKChP; I would have appealed to the people, found a way to do that. The newspapers were closed, there was no access to television; Kravchenko was very protective, so to speak, and closed all channels. But, all the same, through the foreign press and other channels I found the opportunity to address the people about the threat of a coup, about the dangerous consequences of this coup. I think I now have the right to talk about this, since my actions before my resignation and after it and the very fact of that resignation and what followed allow me to tell about it now.

I would have given instructions and directions to Soviet ambassadors with due regard for this.

[Pyadyshev] The behavior and mode of action of some of our ambassadors, who while carrying out instructions which came to the embassies from the Center on 19-20 August did not venture to describe the GKChP's actions

as anticonstitutional to the leaders of the countries where they served, compel us to think about the eternal dilemma of people who work for the state: professional duty or a civic stand?

[Shevardnadze] You know, Boris Dmitriyevich, that is a very difficult question. I would say that what I said about my possible reaction was the exception and not everyone could act in the same way. You remember how the President reacted to my statement. And all the subsequent events confirmed that statement and confirmed that the warning had its foundation. And then many people, including the highest leaders, explained all this away by saying that it was an outburst of emotion, it was said by a tired person, overworked and so on. There is no junta, there is no putsch. I do not want to offend anyone, but a certain thoughtlessness in evaluating everything that happened after my statement prevented our ministers and ambassadors from thinking critically and preparing themselves responsibly for certain unusual and I would say extreme situations. Consequently even the ministries and ambassadors proved to be disoriented from the very beginning. No one told them about the serious threat and the serious danger. When the coup happened, you see which key figures carried it out: the vice president, the second person of our country, the country's prime minister, and very close comrades in arms of the President—the minister of defense, the chairman of the KGB, the minister of internal affairs, and so on and so forth. It was difficult for any ambassador to believe that it was not sanctioned by the President. Consequently there was hesitation, uncertainty, and ambiguity even at the Ministry itself and among the ambassadors. So if we in the Center made a mistake in choosing the vice president and ministers and brought in people who were essentially traitors, what kind of complaints can we have against ambassadors or the Ministry of Foreign Affairs? If we ourselves did not understand these key figures. That is my position. I would not want to dump the blame on ambassadors. Some reacted quickly. Some were more cautious and waited it out; most likely they were correct to do so. I would not accuse those who hurried a bit.

[Pyadyshev] When your statement of resignation was made in December of last year, the idea came out that one of the reasons for such a decision was personal disagreements with the President. Later "both sides" demonstrated this quite transparently. At what moment did disagreements emerge and opinions diverge from the President's?

[Shevardnadze] I had no special problems with the President for all the years beginning in 1985. There were naturally debates and disputes, especially since many members of the leadership participated in shaping important political decisions. But all the same mutual understanding in shaping the foreign policy course and positions on different negotiations predominated between the President and myself. But certain trends that put me on guard emerged in recent times. In particular, in negotiations on conventional weapons.

What happened with the transfer of an enormous amount of equipment over the Urals caused a complex situation with partners in negotiations. In the interests of honesty, order, and trust, we should have informed them. It turned out that I personally, as minister of foreign affairs, was confronted with an accomplished fact. In principle it looked like manipulation, cunning, and dishonesty on our part. That alarmed people, and in a serious way. I talked about that to Mikhail Sergeyevich and others.

The transfer of a large number of tanks, armored troop carriers, and equipment to the navy occurred at a stage where it certainly should not have been done. There were very sharp debates about that with Baker and other partners with whom business relations were being established. The same thing is true of the planes which were repainted and transferred. And all this was revealed after the agreement was signed in Paris.

Incidentally, when I found out about it I immediately wrote a special memorandum to the President and stated my arguments. I said that the problems of negotiations must certainly not be approached so peremptorily and irresponsibly, since a new atmosphere, a new situation was being created and partner relations were being formed. We ourselves proposed that military confrontation be ended, and that demands new approaches—more honesty, order, openness, and frankness. In my memorandum I substantiated the idea that all this contradicted our principles.

[Pyadyshev] Was there any reaction?

[Shevardnadze] There was a reaction. The memorandum was given to Marshal Akhromeyev. Correspondingly, actions on his part followed. Akhromeyev, of course, substantiated the version from the Ministry of Defense position. The President then called me and said that I was not quite right and that nothing terrible was happening. I cannot say that I accepted that without emotion, without offense. We were talking about a very fundamental issue—how and what our positions would be later. Would we be guided by new principles which would substantially help us reach important, major decisions? Or would we use cunning and manipulation, as in the good old times? Who was deceiving whom? It seemed to me that we had put an end to that rotten old practice, but here I failed completely, I will say directly. That has some significance. As a result we did not win anything at all, but lost.

[Pyadyshev] Several issues ago MEZHDUNARODNAYA ZHIZN published an interview with De Marco, foreign affairs minister of Malta and the chairman of the last, 45th session of the UN General Assembly. It was said of your speech at the session, as conjecture naturally, that the final words sounded like a farewell to your colleagues and the ministers of other states with whom you had spent five General Assembly sessions. Were you in fact thinking about retiring even in September 1990?

[Shevardnadze] You know, I did have such an idea.

The question of the events in Tbilisi was studied at the Congress of People's Deputies. In general I cannot reconcile myself to dishonesty. In politics we did a great deal to establish morality and ethics. I cannot reconcile myself to any other approach.

So that was how things stood. First we all drew the conclusion that there would be a report by Sobchak, who headed the parliamentary commission to study the facts. Sobchak even agreed with all the points which were fixed in the report. The decision was made that discussion would not be opened. The resolution, the evaluations, and all the rest were adopted. I was also consulted and I supported this approach. Sobchak finished the report and suddenly Lukyanov announced that the co-report of the military procurator Katusev would have the floor. That was a complete surprise to me. I became suspicious. I promised the people then when they refused to strike and went off to school, I promised them an absolutely objective and fair investigation.

This immediately made me suspicious. We had agreed that no one would speak. Katusev came out, and it was like an indictment of the people. And then there really was emotion, outbursts of emotion and insult, since everything that he said contradicted what had in fact happened there and what Anatoliy Aleksandrovich Sobchak had said on behalf of the commission. We all gave explanations, including Gorbachev and the members of the Politburo. That caused a stormy reaction. I demanded that Lukyanov give me the floor. A delegation left the hall, and not just one delegation. I remember that Boris Nikolayevich Yeltsin stood up and all the intelligentsia members stood up as a sign of protest against this report. It turned out I did not get the floor. So I got up and left the congress and in the evening dictated a letter to Mikhail Sergeyevich. He called several times and then we met. The conflict was settled somehow. The resolution adopted was a fairly good one. But then I had misgivings: something strange was happening in the country when agreement was reached at such a level, agreement was reached with the republic, with everyone, with the military, and so on. Why was that necessary? I considered it a provocation. A challenge by the reactionaries. This provocative report was met with intense applause and the support of a significant part of the hall, including members of the government. It was after that that I began to reflect on whom I was dealing with.

As for the speech at the General Assembly session which you mentioned, there were certainly some elements there. When my assistants and I put together this report, on a short vacation, the idea was there somewhere, that this was the last speech.

[Pyadyshev] How do you feel about a person being accused of being an "enemy of the people"?

[Shevardnadze] I cannot reconcile myself to the use of troops against the people. I cannot. This was, you remember, in relation to Tbilisi and any other incident where troops were used, especially Army troops. I

reacted very morbidly to the military equipment around when the Congress of People's Deputies met. I compared what happened in Tbilisi in the first days of September with the events in Tbilisi on 9 April 1989, when the commander of the Transcaucasus Military District made the decision to use troops; this time it was the elected government and done in a democratic way. That is much worse, it is a blow against all democracy. It is essentially treachery covered by the interests of democracy and humanism. This government did not have the right to fire on its own people. As for this evaluation that I am an "enemy of the republic" and an "enemy of the people," such labels have been pinned on many figures of literature and art and politicians. Yesterday I remembered that, that is quite good company.

[Pyadyshev] The prominent sculptor Z. Tsereteli proved to be in the company of the people whom President Gamsakhurdia declared to be "enemies of the people."

[Shevardnadze] Yes, Tsereteli. There are people who cannot live without the image of the enemy, and if there is an enemy it means he must be shot and killed or put in prison. Communists used to have this psychology: if a real threat did not even exist, we invented it. When an "enemy" is sought now, in conditions of democratization, it is a crime.

The Military, the KGB, and the Party Apparatus

[Pyadyshev] In September of last year we flew to New York for the 45th session of the UN General Assembly. You visited "the team" in our compartment several times. The evening before our flight back to the Kremlin, a meeting was held where the top military men were uncompromising on a number of issues which if not resolved would make progress toward a treaty on reduction of conventional arms and, hence, the Paris meeting of CSCE [Conference on Security and Cooperation in Europe] heads of state problematical. It was obvious that you were upset with the position of the generals and marshals.

How did your relations with the leadership of the USSR Ministry of Defense and the military-industrial complex take shape and, in a broader sense, what about relations between the diplomats and military circles?

[Shevardnadze] Perhaps one example will make you understand how relations were. The delegation receives directives in the established manner. By the final phase of negotiations the directives did not provide a resolution of the main question: aviation and so on. The commission which Zaykov headed helped me a great deal. Some of these issues were not resolved at this commission, but I had an understanding that when I went to the negotiations with Baker and other partners, I would send the information from there and state my position. The commission assembles promptly and if possible makes decisions. On this occasion I had an understanding with Mikhail Sergeyevich. I told him nothing would come of what I was taking with me. There was no resolution. We agreed that I would send a

telegram and Zaykov would report to him, and if his intervention was needed, he would then help.

We were seeking resolutions on five or six key positions. I sent a telegram from there that this old position was not suitable, that it would not work and there would be no solution, and we had a vital interest in achieving this treaty and achieving reductions on a parity basis. I proposed that if no other instructions came, I would make the decision. That is how I acted on certain key points and I acted quite boldly.

You can see these telegrams. I wrote that I considered this variant undoubtedly the correct one, the one which conformed to our national interests and the interests of security, and that the matter had to be resolved in that way. That was how the question regarding this particular situation stood. As for relations with the military department, there were no simple relations. A certain narrow-mindedness, you might say, in the people that worked with us always struck me. I do not want to offend anyone. For example, Akhromeyev and I worked together on the treaty and he helped very often, and so on. But there were others who did not understand the general trend, that we could not remain a militarized state. We would not survive, we would destroy the country. Enormous expenses, a gigantic army, gigantic scale, and we were supposed to show initiative so that reduction of weapons and armed forces and, correspondingly, expenditures would occur on a reciprocal basis. They did not understand this, the most important thing. There were always disputes: why should we reduce by, say, 10 or 16 units more. The point was to stop the arms race. The Americans were in fact ahead of us in certain types. But if we did not conclude the agreement, it would be impossible to stop them. So we sometimes figured, let them maintain some superiority, since guarantees of security are also being preserved in our country. But many military colleagues do not understand this. That was why there were disputes and debates. So that was the situation; the commission which Zaykov headed tried, even though some controversy is useful, to find a common language. Often it did not work out. But that created marked tension. When people were present it was noticeable that not everything was harmonious, not everything was smooth.

[Pyadyshev] I remember that at one of the meetings of the USSR MID Collegium which you were conducting, the issue of the fate of two young diplomats from our embassy in a West European country who had been involved in unauthorized business matters was being discussed. The first diplomat was punished. The second proved to be a "neighbor," from the KGB. His bosses reproved him slightly and he continued his service "under cover" of the embassy. The question now arises of the overloading of different departments and representations with associates of the Committee. This affects the MID to the greatest degree. To what degree, in your opinion, is this harmful to foreign policy affairs?

[Shevardnadze] This issue has always disturbed me. I thought about it a great deal, pondered it, and sought a solution. As for particular cases, I can confess that sometimes I perhaps did not show the proper high principles. As for the global problem, I pondered it a great deal and constructed a plan; the essential moment had to be chosen to hold a preliminary discussion, in principle, of the issue with our partners, especially Baker.

It is no secret. They have intelligence officers under cover of the embassy. And so do we. Who has more is another question. The proportions which we now have in our corps are intolerable. This is certainly a survival of the past, a structure of the past. We must put things in order here. I considered talking about this with Baker, but making it a special meeting such as we had in Baikal, for example. The situation itself was appropriate there for discussing issues which in earlier times were not even thought about. I wanted to pose the issue. This is creating an atmosphere of suspicion in our country now. We have opened cities and enterprises and we are now monitoring and the Americans are monitoring what used to be highly classified. And so what, the world did not come crashing down. Everything is going along normally.

If we say that we are not enemies and will not fight, why can we not clarify this situation now? Let us be an example to the world. Fine, you need intelligence and you need information, things diplomats cannot do. We also need it. Then let us come to an agreement. Everything is known, the Americans know by heart who is working as a diplomat and who represents the Committee for State Security. Personally. We also know everything—that is an intelligence officer and that is a diplomat. It is a game, perhaps. We have reached an altogether new turn of the spiral. Let us try this as an experiment and open not safes but some files. Let us open them and say to each other honestly: here are five people—they are intelligence officers. Intelligence officers to obtain information, to reduce the degree of risk. That was my attempt and today too I want to pose this issue.

Look at all the trouble with the English. The matter led to a rupture in 1971 and later. I have also had very serious trouble. There was very serious trouble with the Americans. I think that the time has come to talk seriously about it. Perhaps this is even a problem for the UN Security Council. Everyone wants to have this information. We must also think about this information and its volume and orientation. The press has now become so open and so skilled that it and television penetrate all areas. What are many people doing? They subscribe to the very latest issues and send reports. We need some closed information, but not such large volumes of it. Some convention can be prepared on conditions of openness. Do we need this intelligence at all? I would pose this problem for debate, for discussion, if we are speaking of a new world and of building a new world order. I know that it will arouse an intense negative reaction now. Attacks will start again, but let them.

[Pyadyshev] What do you think, has the number of intelligence associates in the MID central apparat and abroad increased in the last 5 years?

[Shevardnadze] I cannot talk about an increase. But in any case it has not decreased. This question has not been posed. As for the central apparat I have no idea who is there, because if a qualified person worked in the central apparat, I viewed him as a professional diplomat. Whether he worked for the KGB or for some other department I do not know. I have never met any associate who represented state security there and did not fill the requirements of the post he occupied in practical terms. But at embassies I found out right away. When the minister arrives, the head of the residence naturally comes and gives a report. But the rest, even the minor ones, I found out about. You talk with a person and it is immediately clear that he is not from the diplomatic service.

[Pyadyshev] There is one more category of people who work in the diplomatic service. It is now already clear that the practice, formerly elevated to a supposed virtue, of appointing party figures, who often had made a mess of their former jobs, to be ambassadors did quite a bit of damage, especially in relations with the socialist countries. Until recent days, as one can see, efforts to "tailor" important bureaucrats from the party and state apparatus to be diplomats continued. This causes a sharp reaction from the public—from sarcasm to indignation. Ultimately the shadow falls on the diplomatic service. So, will the diplomatic service be unable to stand on its own feet if it is filled with professional diplomats only?

[Shevardnadze] Generally any state practices this. For example, in the United States there is no shortage of this type of diplomat. An ambassador has now come to Moscow who has never been involved in diplomacy. He is a politician, an important businessman, and he knows economics well. I think that they made the correct choice. It is now precisely these problems which are becoming paramount, problems of business, problems of investments. So what should we do now, condemn this decision?

Here is another matter. Before my tenure, and especially in the first year when I still did not know everything and did not understand everything, it was bad. To illustrate, the ambassador in socialist countries has to be a party worker. There is no doubt here that party workers must be sent. It is another matter when people are given jobs after they retire or have been removed. When this was done on a large scale, only secretaries of obkoms and central committees of republics were sent to the socialist countries; it did harm. Not because they failed to notice certain processes. This information came, it was not for nothing that there were intelligence officers, and the ambassadors too sent information.

But that is not the point. We apparently came to the conclusion that professionalism was not needed here. These are almost like our Union republics, let the man sit

there and work. And these people, many of them in any case, were in the habit of giving commands, managing things, and giving instructions. Not very often, not always. But they automatically transferred this practice and these habits which they acquired here in our country when they managed major party organizations and ministries to diplomacy.

For example, they rarely visited the ministries of foreign affairs in the country they were in. But many of them were at the general secretaries' offices almost every day, and everything else was secondary. This confirmed great power status.

"It will be a different civilization..."

[Pyadyshev] Eduard Amvrosiyevich, since you have a firm reputation as a man who can fairly accurately predict future events, let us try to imagine that you and I meet in 10 years, in the year 2001. What kind of country and society will we have? Use, in particular, the decisions adopted at the September Congress of People's Deputies as a basis.

[Shevardnadze] It will be a different civilization, that is what I think. And not just here, in our country; I am thinking of the present alliance. An essentially new civilization on the whole, on a world scale. I have no doubt that the new world order will be decisively strengthened. The world will become manageable. This is possible if only we can raise the authority of the United Nations higher and higher.

As for the Soviet Union, there will naturally be no return to the old. I think that a unified economic space, a unified military-strategic space, and a unified democratic space will take shape. I have in mind republics which will join and ones which will not join the Union. For some regions the Union is a necessary component of progress and we can speak of a unified space throughout its territory.

Coordinated activity on the international arena will also be preserved, I am sure. And that is altogether sufficient for a good community. I do not attach fundamental significance to the name, whether it is a union or a community.

I think that the basic documents were adopted at the Congress of 5 September—this is already a good basis for us to build a new community, a new Union, together in the foreseeable future.

The process of formation of the sovereignty and independence of states and republics is accompanied in our country by many, many emotions, an emotional overload. There is a great deal of euphoria and naivete now. But the time will pass, let us assume, and we will be convinced that people are thinking differently. They understand that it is impossible to live without integration. Integration is the command of the times, the rule of mankind's development in present conditions. This new trend will become the definitive one. I think that it will

be a different world in the 21st century and, as you specified, in the year 2001. But what kind of country ours will be—socialism, capitalism, or something else—and what the name will be, we again want to devise something standard. It will be a synthesis of everything accumulated by mankind and human civilization, all that is progressive and all positive experience. All the republics, or the whole country in its entirety should take from capitalism everything that is reasonable—market relations. We came to this late. Where will we get it? From the most developed countries, of course. It is enormous unique experience. Or property relations. We used to fear them, but we are now convinced that they are most essential to the development of mankind, and there is much more.

The world will be different. There will be fewer secrets of any kind. If there are fewer secrets, then we can skillfully exchange the wealth which has been accumulated in each country. It includes enormous intellectual potential and achievements in science and technology. Essentially we are entering a new revolution in the area of equipment and technology, without borders, in a unified space of knowledge and achievements. I do not think that this is from the realm of fantasy.

"I do not predict the disappearance of the Center."

[Pyadyshev] What will become of foreign policy?

[Shevardnadze] I do not predict the disappearance of the Center. It will be preserved. To a large degree the Center will be involved in coordinating and correlating fundamental issues, including those in the field of foreign policy.

Speaking of the role of the United Nations, when all republics become UN members, must we lose our position in the Security Council (SC)? The SC's role as a guarantor of stability in the world will grow. Mechanisms will be created, you know my views on this score, and the Union will certainly maintain its position on the Security Council as a permanent SC member. The most important problems and everything related to stability will be resolved in the Security Council. The republics themselves will have an interest in coordinating their efforts, or not coordinating measures through the Union's foreign policy department.

I think that we must think seriously about having foreign economic and foreign policy activity coordinated from one Center. I do not know whether this will be the Ministry of Foreign Affairs or something else, a committee or something else. But all problems, economic and political, are so intertwined that it is difficult to distinguish what is politics and what is economics. So I believe that the coordinating function of the Center will become more substantial and necessary for the republics.

[Pyadyshev] We are now a unique country. Not only is there no multiparty system, there is virtually no one strong party. That can perhaps not be found in any proper country of the world. The CPSU has collapsed

and other parties have not managed to stand on their own feet. But what kind of political life is there without a party? How do you think the process of formation of a multiparty system will go and what are the prospects of your Movement?

[Shevardnadze] I think that we are now undergoing a fairly dangerous period of development of all society. Because the CPSU is actually not functioning, we now face the problem of filling this space. For better or worse, and it was often very bad, all the same the CPSU was a guarantor of stability of society. It is right and proper that the process of departization is underway. It is also right that the CPSU, if it is going to exist, will be put in the appropriate framework. But the lack of any mechanisms, of any strong political mechanisms which guarantee stability, still disturbs me.

In this regard we are laying great hopes on the Democratic Reform Movement. Without ruling out that even in this stage we will begin to create a party. We must define ourselves. A party is needed. I mean election campaigns, election of the president and other organs. Here and in the republics and regions a party is needed, but certainly within the framework of the Movement. The Movement must be preserved. This form will allow us to cooperate with all parties and democratic forces here and locally. We will talk in more detail at the congress.

[Pyadyshev] Eduard Amvrosiyevich, are you not nostalgic for practical foreign policy activities and for the world diplomatic community in which you were so deeply involved?

[Shevardnadze] The position which I now hold, I mean our Movement and the Foreign Policy Association, allows me to be very actively involved with all my colleagues. Active work in the Movement and the party allows me to associate not only with diplomats but also with altogether new people who represent the political parties of different regions of the country. It is very interesting work.

Speaking of nostalgia, it is not nostalgia for a post or position in society. That is not an issue for me.

There is a desire to continue these contacts, these genuinely unique relations which took shape. It is a large circle of people who are very responsible and very interesting. Among them are many unique people. Preserving these ties in the interests of building a new world order is what I dream about. For now it is working out.

There have been so many phone calls in these difficult days! I have gotten the impression that I was on Smolenskiy Square. Baker, Genscher, Prime Minister Major, Dumas, and many others. Support. Schultz sent a telegram when he felt that cruel things could happen here. He wrote, you can count on a very respectable position at Stanford University with housing and everything else provided. It was all very touching. We were different

people. Back several years ago we seemed like potential enemies in the military sense, and now there are unique relations.

Baker and his wife called from Wyoming at night, very, very late. They talked with me and my wife. I think about this a lot, how to preserve this for our children and the future generation.

[Pyadyshev] A spontaneous movement arose on Smolenskiy Square for you to return to the MID. How did you react to that?

[Shevardnadze] I am very touched and moved by this attitude of the collective, a collective which I love very much and consider amazingly talented.

I simply love this collective which never let me down—everyone who works there. So I cannot remain indifferent. Naturally, when such an appeal came, I did not give an unequivocal answer, although I used to say that there could be no talk of returning. I have some hesitation. I told the delegation that I cannot say anything definite, I have to think everything through. To me it is a serious step, so take into account that there are no guarantees and no promises.

I interpreted the appointment of Boris Dmitriyevich Pankin as a good thing, since I have known him for a long time. But now the situation is complicated, so he will have difficulties. If you take a person's potential, general worldview, and work experience in the country, the Union organs, the press, and diplomatic area, they all help him to be a good minister. If only the domestic situation allows him to develop and work with the collective.

Incidentally, I very much question the validity of the evaluation of Bessmertnyy's work, of what I would call the unpardonable treatment he received. Whether there were complaints against the minister is another matter, I cannot say. I found nothing in his behavior which would refuse him the right to work in the collective. He acted skillfully and did not join that Committee, although the results of his refusal may be very costly to him. Those are simply my feelings. I respect both the one and the other.

I have the deepest respect for the collective. Yesterday an altogether inexperienced man came, and thanks to this collective he managed to accomplish a great deal, a very

great deal. They are not visible right now; it is the type of work where they sit and create and provide ideas and proposals. But then either a minister or a president or someone else utilizes their work. Very often we forget that those thoughts and ideas are theirs. If the new thinking, so to speak, is accepted throughout the whole world, it is to the enormous credit of this collective.

[Pyadyshev] Eduard Amvrosiyevich, you were the godfather to the journal MEZHDUNARODNAYA ZHIZN in its new form. At the very end of 1987 the CPSU Central Committee Politburo satisfied the request of Andrey Andreyevich Gromyko (at that time the Chairman of the Presidium of the USSR Supreme Soviet) to discharge him from the duties of editor in chief of MEZHDUNARODNAYA ZHIZN which he had fulfilled for 30 years. The direction of the journal and its content changed.

[Shevardnadze] I follow the journal. I cannot say that I read all the articles, but I follow it quite closely. I believe that now the journal is up to world standards. The depth of ideas, the originality, the study of problems in all their diversity are at a good level. The journal may be considered a landmark in the present situation, in foreign policy and international affairs. I know that the journal is very respected in foreign countries, especially recently. I have been told this in many universities of the United States and the Western countries. That is wonderful.

It is difficult for me to give any advice. But the problems of the Union and the republics and foreign policy are very urgent now. In connection with this, in addition to all those issues which are properly covered, it is precisely this problem which I would make paramount. To help make sure that this process goes forward painlessly. To prevent a situation of confrontation arising between the ministries of foreign affairs of the Union (or any other organ which is formed) and of the republics and between the Center and the sovereign component parts. The treatment of those republics which do not join the new formation is very important. These are domestic problems, it is true, but we can hardly enter the large international arena skillfully without resolving these issues.

And write a bit more about the Association and the Movement.

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Eastern European Trade Conference Report*92UF0186A Moscow DELOVOY MIR in Russian
22 Oct 91 p 1*

[Article by Aleksandr Logachevskiy: "An Abundance"]

[Text] On Saturday, 19 October, the first VEST [East European Cooperation and Trade] conference concluded its work by adopting constituent documents. DELOVOY MIR reported on this international nongovernmental organization—East European Cooperation and Trade—in issue No. 234 dated 17 Oct 91. Commenting on the results of the conference is A. Vladislavlev, vice president of the USSR Scientific-Industrial Union, chairman of the Council of Businessmen of the USSR President, and member of the Consultative Committee of VEST:

"Ensuring effective cooperation in Eastern Europe is a task of colossal importance. An objective base for this exists. Moreover, the East European region is today an exceptionally favorable environment for interaction among the former CEMA members. Here one will find a geopolitical communality, traditions of multilateral ties, and a purely human gravitation.

"The most important thing is the fact that our common incredible technological backwardness will not permit any one country to enter the world market on its own. Only if we all work together will we be able to move forward.

"I believe today's task consists in setting down entirely new principles for the post-socialist countries as the basis for the objectively inevitable interaction. If we are able to carry cooperation over to the business track, then the concept of integration, for which VEST was essentially established, will be 'doomed' to victory.

"The most dangerous thing, I am convinced, would be any analogy with CEMA. We must think globally and act concretely. Only those business enterprise structures which truly want to cooperate, and will do so without extra-economic coercion, can and should participate in our project.

"In other words, in the undertaking we have begun, as well as any other spheres for that matter, monopolism is very dangerous. Therefore, I would welcome in every way possible—regardless of how successfully VEST develops—the emergence of parallel, competing structures.

"I would like to stress that in the near future, the countenance of VEST—and indeed of the economies of Eastern Europe, including the Soviet Union—will on the whole be determined primarily by state enterprises. However, this will be possible only in the event their leaders are imbued with the spirit of business enterprise.

"It is the state enterprises, especially those having the experience of close economic ties with their East European neighbors, which must become the locomotive

force in setting up new forms of cooperation. VEST is conceived as a 'circulatory system,' which must be infused with life."

And so, the concept is officially approved. VEST has been established and the number of its constituent members increases day by day... However, continuing the figurative speech pattern presented by A. Vladislavlev, I would like to emphasize that today we mark the birth date of just the "head." The entire remainder of the "body"—stock exchange, bank, and trade establishments—are only in the design stage. But time will not wait. We all, therefore, excitedly await the next news which will issue from VEST.

Barter System Argued for Former CEMA Members*92UF0187A Moscow ROSSIYA in Russian No 40,
9-15 Oct 91 p 5*

[Article by Aleksandr Potemkin under rubric "Blood Ties": "Return Barter to Our Former 'Brothers'! 'Relatives' Aren't Chosen on a Map"]

[Text] Our neat little microbus stopped at the familiar administrative building of the Warynski Excavator Plant. How could there be any change in the country if the new rulers of the Republic of Poland, who have been so insistently emphasizing their "noncommunist" origin and, with a deep growl, distancing themselves from everything that used to be in the Poland which we once called a "people's republic," have now brought the first officially invited group of journalists from the Soviet Union to this enterprise? One of those particular plants which served the former "communist" regime as "flagships of Polish-Soviet cooperation," "vanguards of socialist economic integration of the member countries of the CEMA," "pioneers of direct production relations," and so on and so forth....

At first glance, the reason for being invited to this particular enterprise did not lie very deep, and it fit into the concept of the whole trip: this plant, which was "bound" to its Soviet client and partners for many years, is taking heavy losses from its conversion to handling accounts in convertible currency. Direct ties - never fully established - have been disrupted, ties thanks to which these Soviet journalists beat such a well-worn path here to Wolja, the major factory district in Poland's capital city. Most important, the factory gates were slammed shut-gates which were once wide open for the sale of goods on the Soviet market, which, not so long ago, was not deemed to be as important in the country as it is now. Used to be....

Any analysis of the causes of the decline in trade and the weakening of economic ties among countries of the former "East Bloc" is a matter for economists and politicians. But it is simply impossible not to notice, not to feel - even in everyday life - the shattering blow it has caused to the economic systems of these states, each of which is experiencing its own economic difficulties. For

example, according to Mihaly Kupa, the Minister of Finance of the Republic of Hungary, unsettled problems in trade and economic relations with Moscow represent "Sword of Damocles which constantly threatens the whole complex of our reforms." The pace of the decline is well illustrated by the situation in Bulgarian-Soviet commercial exchange. The country's Ministry of Foreign Economic Ties has estimated that in the first four months of 1991 alone the total volume of mutual commodity turnover declined by 56 percent. And now Vaclav Klaus, the Minister of Finance of the Czech and Slovak Federative Republic, judging by what he said to journalists, is already aware that "this year our trade balance is evidently going to end up with a negative balance of approximately two billion dollars.

"But if we refer again to Poland, which was one of the major partners of the USSR not all that long ago, and which is a step or two ahead of its former "brothers" on the way to the quagmire of the market, this country has come up against problems which are disrupting the old ties. For example, in a country where the first one and one-half years of "shock therapy" has already resulted in more than 1.5 million unemployed on the streets (versus 17 million employed in the whole national economy) and those are just the officially registered ones - another 200,000 or so "superfluous people" are expected in the market of unemployed labor resources solely due to the bankruptcy of the first few dozen enterprises with most of their capacity locked up in the USSR. According to press reports, as of the end of June, only 4 percent of deliveries to Soviet customers planned for this year had been made. And only about three hundred Polish enterprises were exporting goods to CEMA countries, where they sold up to 80 percent of their products. According to

estimates of Poland's Ministry of Foreign Economic Relations, the total volume of deliveries to this region could be cut to one-fifth in the near future.

Explanations by Bulgarian, Hungarian, Polish, Romanian, and Czechoslovak specialists appear convincing, namely, that the present state of affairs in the field of commodity exchange with the Soviet Union stems from the hasty switch of the system of contra accounts. They also say that Soviet traders and enterprises, and their partners too, don't have enough foreign currency to make payments, and the relevant Soviet authorities' ban on any barter exchange with their former "fraternals" tops off the complex of factors which are directly stifling mutual trade.

Let's contemplate how dramatic the situation has become considering that a representative of that same Warynski Plant, during a meeting with the Soviet journalists, went so far as to make the "heretical" statement that the transferable rubles were not so bad, and after all, there did use to be deliveries to the USSR, and vice versa. And although everyone agrees that this "imperceptible" currency has outlived its usefulness and is relegated to the history of economic doctrines, it is becoming clear why one of the main motives for this whole trip was the unanimous cry of the various politicians and economists, managers, and other captains of today's Polish economy, addressed to the group of journalists from the Soviet Union: "Bring back barter!"

That's probably not the only thing. One would think that a healthy economy ought to involve all forms of commercial exchange among countries, especially neighbors. After all, as in the case of relatives, you can't choose your neighbors.

International Agro TU Statement of Solidarity With Russian Workers*924A0175A Moscow SELSKAYA ZHIZN in Russian 25 Oct 91 p 1*

[Statement by the Secretariat of the International Union of Trade Unions: "We Declare Our Solidarity"]

[Text] From 21 through 26 October, the Trade Union of Workers of the Agroindustrial Complex of the Russian Federation is conducting Autumn Unity of Action Days in defense of the legitimate and just demands of the workers in our professions.

Having become acquainted with the program of demands of the Central Committee of the Trade Union of Workers in the RSFSR [Russian Soviet Federated Socialist Republic] Agroindustrial Complex, the International Union of Trade Unions of Workers in Agriculture, Forestry, and Plantations declares its solidarity with Russian agricultural workers and fully supports their struggle for satisfaction of their demands, insofar as these are in complete conformance with the aims and goals of our International Union.

Together with them we demand:

—improvements in living and labor conditions in the village, namely:

guaranteed growth of purchasing power of the workers;

introduction of subsidized prices for agricultural produce;

guaranteed high level of public health care, hygiene, and safety in the work sphere;

guaranteed employment and a suitable labor wage in accordance with skill level;

creation of a material base and system of services for satisfying the needs of rural workers and their families;

—guaranteed development of agriculture in order to attain food and produce self-sufficiency while protecting the environment;

—guaranteed participation on the part of agricultural workers and their trade unions in the development of production programs and production management, whether under a private or collective management system.

The International Union of Trade Unions of Workers in Agriculture, Forestry, and Plantations believes that a true resolution of the food problem is impossible until such time as significant improvement is achieved in the situation of workers in our professions.

[Signed] Secretariat of the International Union of Trade Unions.

Mintorg Reports Fewer Hard Currency Rubles for Imports*92UF0182A Moscow TORGOVAYA GAZETA in Russian 26 Oct 91 p 2*

[Interview with A.I. Ivanov, director of the Administration for Foreign Economic Ties of the USSR Ministry of Trade, by S. Lepeshev; place and date not given: "Will We Get Help From Abroad?"]

[Text] Our readers express bewilderment—where have all the imported goods disappeared to? If they do show up, it is in commercial shops, at abominable prices. What about the state trade system?

TORGOVAYA GAZETA posed this and other questions to A.I. Ivanov, director of the Administration for Foreign Economic Ties of the USSR Trade Ministry.

[Ivanov] Alas, the reason is quite simple—there is no money. The government has been reducing year to year the amount of funds it spends to purchase goods. Here is a graphic example. Last year, the USSR Trade Ministry was allocated over 10 billion foreign currency rubles. This year it was one-fifth as much! If one considers products by grouping, the picture becomes more deplorable still. Consider this. Food product purchases were reduced from 2.8 billion foreign currency rubles to 0.3 billion. An almost tenfold reduction. While nonfood products dropped from 7.6 billion to 1.7 billion. What did this lead to? This year we purchased footwear only in the amount of 43.7 million pair, whereas last year we bought 100 million more.

[Lepeshev] Aleksandr Ivanovich, we know that trade relations with the East European countries were broken off in the most unimaginable way...

[Ivanov] Unfortunately, this is so. Previously, imports from the socialist countries constituted 80 percent.

[Lepeshev] Well, what problems arise in relations with Western firms?

[Ivanov] From their side, there are no problems. They are always ready to assist us if we so desire... But the Ministry of Trade does not have funds as such—these are under the disposition of the Bank for Foreign Economic Relations, whose capacity for meeting liabilities, alas, is well known, and not in the best sense. The Bank for Foreign Economic Relations takes several months to transfer money for goods already delivered, if not years... Foreign firms simply do not trust us. Foreign insurance companies will not undertake the insurance contracts we try to conclude. And as a result, we lose partners.

[Lepeshev] It is quite an unhappy picture we see. Can it be there is no glimmer of hope?

[Ivanov] There will be a glimmer of hope when normal market relations are set up in our country. It is impossible to seriously perceive as a market what we have going on today. In the Western market, if a certain

product suddenly disappears, another takes its place. But with us, because of a lack of funds or inability, we can buy a shaving kit, let's say, but not get the blade, relying on producers in our own country for that—and then they let us down. We know what crisis is. But even under these circumstances, the Ministry of Trade nonetheless obtained the guarantee of the USSR Bank for Foreign Economic Relations for obtaining credits from foreign firms in the amount of 2 billion foreign currency rubles. Contracts for 1.3 billion foreign currency rubles have now been concluded by virtue of credits from foreign firms.

[Lepeshev] Fine, contracts have been concluded. But will they result in goods being brought in?

[Ivanov] Our Western partners have presently taken up a wait-and-see posture. True, FRG firms have already confirmed product deliveries. As far as Italy and Holland are concerned, the situation is not yet clear.

[Lepeshev] In other words, there may be no goods?

[Ivanov] Highly likely.

[Lepeshev] These days you often hear the words of Ostap Bender—we will get help from abroad...

[Ivanov] They will help us if we want to get down to work... We must carry on relations with our partners on the basis of a free market, i.e., have decent business relations. They will have enough goods.

U.S. Pharmaceuticals Giant To Operate in Russia

*PM1211095791 Moscow ROSSIYSKAYA GAZETA
in Russian 7 Nov 91 First Edition p 7*

[Vladimir Sluzhakov report: "Russia and the World. First in America. And First in Russia?"]

[Text] It seems that the current leader in the U.S. business world, the Merck Sharp and Dohme pharmaceuticals company, has also decided to try its luck on the Russian market. Given the disappointments with which Western entrepreneurs are now leaving the country, the mood of David Velez [name as transliterated], chief manager of the firm's Moscow branch, can be described as quite optimistic. Despite the crisis in the republic, the Americans intend to gain a firm footing. The situation is remarkable in that the company is as yet operating at its own risk without special backing from state structures as was the case before.

Meetings with officials at the Union and Russian Health Ministries showed that our bureaucracy is not the world's worst. Although there were more questions than answers, the quest for specific partners has already begun. It is planned to build a plant producing children's vaccines that are used fairly extensively in the West as well as a plant producing medicines. Investments are

estimated at roughly \$230 billion. From Merck's experience in other countries it will take three or four years to build since the equipment is delicate and requires high-quality work.

Pharmaceuticals is an extremely science-intensive business. In order to retain its lead in this field, the company spends \$1 billion annually on research alone. An extremely high figure. Therefore David Velez makes no secret of the fact that they would like to find mutual interest in joint developments with our scientists. Our intellectuals' "brainpower"—the small area in which we can still match the international level—is valued quite highly. Some experience has already been acquired in cooperation with Academician Chazov's Cardiological Center. A license has been obtained to produce medicine to reduce blood cholesterol.

Be that as it may, objectively it looks as though Merck, not without a vested interest of course, is trying to invest in our science, which neither the Union nor republic budgets are capable of fully maintaining. It is quite likely that, if the requisite conditions are created for them, some scientists will abandon the idea of leaving the Fatherland.

However, Merck has not escaped an encounter with the "Green" movement, which is gaining momentum in our country and whose efforts have secured the closure of a number of chemical production facilities and two-thirds of our pharmaceutical production facilities for environmental reasons. David Velez was asked outright several times: Has Merck come to Russia solely because it is easier to make money here due to our low environmental requirements. There was only one answer: Worldwide Merck is recognized as a company that has introduced its own standards and regulations for environmental conservation, and in the overwhelming majority of cases they are higher than the requirements of the countries where the firm has set up its production facilities.

Everything indicates that the company will start by selling its medicines on our market. They are prepared to sell two or three medicines for rubles. This money will help make up for the money spent on building the enterprises and on scientific research. Although the fact that the ruble is not convertible has caused a host of problems. According to David Velez, it is hoped that over the next year or two the ruble will become convertible, "otherwise it will be simply impossible to do business here."

But Merck is deliberately taking the risk since it sees tremendous potential and prospects in cooperation. However, David clarifies, if you look two years ahead, there is indeed a big risk, but if you consider 15-20 years of working in Russia, the risk diminishes considerably. That is why it is time to start. "We have no intention of selling medicine here, taking the money and running before it's taken back. Since Merck is recognized as the United States' number one company out of all our companies, it also intends to be number one in the

USSR." Well, that kind of rival may be the only thing capable of encouraging our monopolies.

Foreign Businessmen Discuss Problems With USSR Dealings

92UF0161A Moscow IZVESTIYA in Russian 2 Nov 91
Union Edition p 12

[Article by V. Mikheyev: "Foreign Businessmen Are Departing Moscow With a Headache but With Optimism"]

[Text] Detecting foreign commercial travelers in the departure lounge of Moscow's Sheremetyevo-2 airport is not a complicated matter. Flights to Vienna, Sophia, Istanbul, and Frankfurt were expected during the morning hours. Delightful anticipation of their homecoming has already appeared; however, snatches of phrases, columns of figures and a motley mixture of impressions are still spinning in their heads. It is time to be curious about the thoughts and feelings that they have when leaving our borders.

For Alan Mikhelik from Paris, who represents the International Drilling Fluids firm, there are no problems in contacts with our businessmen. In his words, all of them are "accessible and open." However, the absence of what he calls "consistency" grieves him. They have reached an agreement and departed but the matter does not move from dead center. Who has responsibility? It is difficult to establish. One must constantly remind them. "Push slightly"—Alan, a charming Frenchman whose ancestors lived in Slovenia, used these words.

Alan says that the decentralization of foreign economic activity has led to the necessity of coming to an agreement with people who do not have any experience and who do not know the legal bases and peculiarities of financial operations. The gaps in their knowledge are fully explainable. Everything will be put right in time—our personnel will study or they will hire specialists from the old "central" departments.

There is another headache—communications. There are no direct telephone communications. That is why the firm sends information to its representative in Moscow and he transmits it further on—to Surgut, Nefteyugansk or Tyumen.

Alan comes to us once a month or once every six weeks on the average. This is his 10th trip. It is easier to get to South Africa; the difference is that one can call or send a report there by telefax. As a result, there is no need to scurry about in a dug-out.

Reference: He spent five days. His plane ticket cost 10,000 francs. He lived in the Aerostar Hotel—120 American dollars a day.

The trip was 80 percent successful. Bogumir Totner from Germany, manager of the Mak firm who did not conceal his Czechoslovak roots, evaluated his nine-day stay in

our country with this precision. The reason for the 20-percent failure? In his opinion, we do not understand the significance of detailed information on the goods that they want to sell. Proposing an item for examination—the search for a buyer does not end but only begins with this. From this comes the advice to travel more often to countries with an established market economy and study, study, study—including foreign languages.

Reference: A company paid the Ukraine Hotel cashier 130 German marks a day for its representative's stay in Moscow. The round-trip plane ticket cost another 3,000 marks.

Todor Porodinskiy, president of the Bulgarian Tovas private firm, departed Moscow not with the look of a conqueror but with a disappointed look. A contract had not been signed. There was a hitch when the question turned to financial guarantees and the opening of a letter of credit. "The state still keeps everything in its hands—and interferes. If legislation existed...." Other problems arose one after the other but not in order of importance: the receipt of an export license—it is necessary to cover marathon kilometers to coordinate "at all levels;" communications—sending a message to Moscow by telephone, telex or telefax is an exploit of maturity; gaps in the knowledge of world, and this means real, prices—T. Porodinskiy maintains that prices are still being "spun out of thin air."

Reference: The Tovas firm's president flew seven days over the route Sophia-Moscow-Minsk-Moscow-Sophia. This cost him (economy class) 10,000 lev; the hotel (Bulgarian)—40 American dollars a day.

The didactic turn of mind of Professor Erkan Barin, one of the directors of the Turkish Tuna firm, displayed itself in the detailed advice that was spread out on the shelves as an answer to the examination:

—first, laws should favor foreign investors and, simply, traders. They should not be afraid that they will not receive their profit.

—second, it is necessary to introduce order into the service area: It is not business when you wait 45 minutes for a waiter in a restaurant and then another 45 minutes until he brings the dishes you ordered; one should not allow a taxi driver, who has brought you to the airport, to demand 150 rubles when the meter shows 15.40 rubles; I do not understand "why the taxi driver took 1,000 rubles from me for the trip from Sheremetyevo to Vnukovo;"

—third, it is necessary to transfer the service area into private hands more rapidly—the contrasts are already striking now when one compares state service and the service provided by cooperatives and private owners.

Suat Klizhishshek, another Turkish business owner, joins this assembly of businessmen. During the Sixties, he was a work superintendent at our oil refinery. He and his wife have now come as tourists. Familiar with our

troubles, he left Moscow distressed: The Rossiya Hotel, which had been promised to them, was a mirage in the desert—no one had even found time to reserve a room for them as was mentioned in the advertising folder. Suat says: "If we had not had our own purse we would have been in difficult straits." The Soviet bureaucrat's version that the Rossiya was not available because there were "no free rooms" turned out to be in actual fact—businessmen always trust, but check—a fake.

Bruno Brukner, a professionally qualified chemist from the German firm of Zaltsgitter Anlagenbau, looks kindly upon the irrepressible appetite of Soviet businessmen wishing to break through in every way possible into Western markets with their products. Only why? Bruno is puzzled: You have a bottomless domestic market devoid of attention and, moreover, not filled and not divided into spheres of influence like the market of any developed industrial country. It is understandable that contacts with Western partners mean trips and hard currency even if only in a small amount. However, the main consumer, the native one, is not wanted during this.

Nevertheless, Brukner is satisfied with his three-day trip: His firm is prepared to modernize herbicide production in Ufa. For a special domestic customer. Did everything turn out well? Probably, by about 80-85 percent. Brukner thinks that a 100-percent success does not occur in business.

A general observation. Initially, a show of historical optimism follows the provocative question of what are your complaints? It looks like this is the calling card of the touring businessman. Then, scanty and restrained complaints, which are often expressed in the form of friendly wishes, are squeezed out. Thus, businessmen leave Moscow with different headaches—however, with the firm intention to return here without fail.

Rules For Customs Registration of Foreign Trade Transactions

92UF0162A Moscow *EKONOMIKA I ZHIZN*
in Russian No 41, Oct 91 p 2

[Article by V. Oreshkin, candidate of economic sciences and USSR MVES [Ministry of Foreign Economic Operations] VNIKI [All-Union Scientific Research and Design Institute; "Customs Registration of Foreign Economic Operations"]]

[Text] A meeting of the foreign economic ministry and department directors of the 15 sovereign states examined the urgent problems in expanding foreign economic activity and adopted a number of decisions regarding the main avenues in the implementing of VES [foreign economic operations] by the republics of the former USSR (the Baltic republics and Georgia participated as observers) during 23-25 September 1991 in Moscow. A majority of the meeting participants signed its protocols. The meeting decided that the territories of the states participating in the Economic Union would form a

single customs territory. This assumes the formation of a customs union with a common customs tariff and common custom regulations. There is no doubt that these general arrangements will be defined concretely in the future considering the development of the political situation and economic condition of each republic; however, even today one can talk about the main mandatory requirements that are being imposed on registering the passage of freight and property across their borders.

1. Registration of an enterprise as a VES participant in the appropriate republic foreign economic department.¹
2. Receipt of export or import licenses in the necessary cases and their presentation to the appropriate customs institution.²
3. Payment of fees by a VES participant for the performance of customs procedures and payments of customs duties and export and import taxes in the appropriate cases.
4. Declaration of these goods and properties to state customs control agencies.

Previous articles by the author (cf. *EKONOMIKA I ZHIZN*, No 34, p 18 and No 35, p 11, 1991) have examined requirements separate from the ones pointed out, and the normative basis for regulating these processes has been analyzed. We recommend additional familiarization with the contents of the following material:

1. The Statute "On the Procedure For the Passage and Declaring of Goods and Property Moving Across the State Border of the USSR." USSR GUGTK [Main Administration for State Customs Control] Instruction No 137 dated 18 August 1989.
2. USSR Council of Ministers Decree No 27 dated 10 January 1991 "On Establishing Export and Import Tax Rates For Foreign Trade Operations in 1991."
3. USSR GUGTK Order No 42 dated 18 February 1991 "On the Procedure For Calculating and Paying Export and Import Taxes."
4. USSR Customs Code.
5. USSR Law "On Customs Tariff."
6. USSR Council of Ministers Decree No 148 dated 8 April 1991 "On Measures To Insure Foreign Economic Ties in 1991."
7. USSR Committee for the Effective Management of the National Economy Decree No 4 dated 31 August 1991 "On Urgent Measures To Supply the Population With Food."
8. USSR Customs Committee Order No 94 dated 13 September 1991 "On Freeing Food and Basic Consumer Goods From the Payment of Import and Export Taxes."

One must begin the analysis by familiarizing oneself with the USSR Customs Code and the USSR Law "On Customs Tariff," which were adopted 26 March 1991 and contain the fundamental directions for regulating the area of foreign economic activity being examined. It was assumed that the code and law would go into effect on 1 July 1991; however, the concrete definition of these directions was later "put off" to the beginning of 1992, especially the establishment of the amounts of customs duties. The new law "On Customs Tariff" provides for two columns of import duties. The duties in the first column are in effect with regards to relations with countries or their allies that grant the USSR most favorable nation conditions, and those in the second—with regards to states that do not grant the USSR such conditions.

The law provides for the introduction of additional duties: import; seasonal import and export for a period of up to four months; special; anti-dumping; and compensating ones.

The law provides for the use of three types of customs duties in the customs tariff:

- ad valorem, which are levied as a percentage of the cost of the goods. These duties have a rate from 0 to 100 percent with an average level of 15-20 percent;
- specific, which are levied monetarily per unit based on the item's amount or weight;
- combined, which consists of both types.

The law's third section lists cases where freedom from paying customs duties, tariff privileges and preferences are allowed.

The following are free from paying duties:

- a) Transport assets that regularly transport international freight, luggage and passengers; material and technical supply and equipment items; fuel, food and other property required for normal operation during the trip and at intervening stopping places or acquired abroad in connection with the elimination of an accident (breakdown) involving those transport systems;
- b) Material and technical supply and equipment items, fuel, raw material for industrial processing, food, and other property being exported beyond the USSR customs territory to support the production activity of Soviet vessels and those leased (chartered) by Soviet enterprises and organizations conducting maritime trade; the products of their trade imported into the USSR customs territory;
- c) Soviet and foreign hard currency and securities;
- d) Goods and other items subject to conversion into state property in cases provided for by USSR legislation;

e) Goods and other items that are unsuitable for use as items or materials due to damage inflicted before their crossing of the USSR customs border;

f) Items imported into the USSR for official and personal use or exported abroad by organizations and persons who enjoy the right of duty-free import into the USSR and duty-free export of those items from the USSR in accordance with USSR international agreements and USSR legislation;

g) Goods or other items originating from the USSR customs territory and imported back into this territory without processing or treatment; goods and other items of different origin exported back beyond the limits of the USSR customs territory without processing or treatment;

h) Goods and other items originating from the territory of a country other than the one that paid the custom duties during the initial importation into the USSR customs territory, exported temporarily beyond its limits and imported back into the USSR customs territory; goods and other items being exported back beyond the limits of the USSR customs territory, which originated from the territory that paid the customs duty during the initial exporting beyond the limits of the USSR customs territory and imported temporarily into that territory;

i) Other goods and other items determined by USSR legislative acts.

Goods, which are imported into free economic zones on the territory of the USSR (not only for the final consumer in these zones) and goods exported from free economic zones for use beyond the limits of the customs territory of the USSR and on that territory, are free from the payment of duties or assessed lower duty rates. Goods being temporarily imported and other items intended for return export within prescribed timeframes in an unchanged condition or repaired form are allowed in without the payment of duties.

The declaration of goods and property is accomplished by submitting a customs freight declaration to customs establishments officially registering the passage of goods and property. This is the document that forms the basis for paying customs duties and export and import taxes. One must turn to the above-mentioned USSR GUGTK Instructions No 137 dated 18 August 1989 in order to familiarize oneself in detail with this rather laborious procedure.

If an enterprise on its own cannot for some reason supply the declaration and present it for the customs registration of the goods or property that it is shipping, it can do this on a contract basis through another organization recognized by customs as a declarer. This recognition is confirmed by a certificate of the type established by the former USSR Main Administration for State Customs

Control (GUGTK SSSR), which has now been reorganized into the USSR Customs Committee; custom-houses keep a record of these organizations and provide an official publication of the list of them.

In accordance with the USSR Council of Ministers Decree No 27 dated 10 January 1991 and the GUGTK Order No 42 dated 18 February 1991, all VES participants began to pay import and export taxes on 1 January 1991.

The owner (manager) of the goods subject to taxing or—in accordance with his instructions—another organization declarer calculates the export and import tax amount in Soviet rubles according to the rates established for the foreign trade (contract) cost of the goods (enumerated in Soviet rubles according to the USSR Gosbank commercial rate) prior to the submission of the goods to customs control.

The import tax has been established, practically speaking, only for 136 designations of consumer goods in amounts ranging from 20 to 1,300 percent. For example, the minimum tax is levied on the importation of cotton, movie films and gramophone records (20 percent); medical items, bicycles and mopeds (30 percent); and the maximum—on calculators, video cameras and video tapes (600 percent); video and audio cassettes (630 percent); cognac, whiskey and gin (800 percent); American cigarettes (1,000 percent); and mink, opossum and raccoon coats (1,300 percent).

The following are free from the payment of import taxes:

- 1) Equipment, materials and property imported as a foreign partner's contribution to the charter fund of joint enterprises and international associations and organizations that have been established on USSR territory;
- 2) Goods temporarily imported into the USSR for a period of no more than one year and subject to export abroad in unchanged or reconditioned form;
- 3) Goods imported for sale in foreign currencies on USSR territory in the prescribed manner.

In contrast to import taxes, export taxes are levied during deliveries abroad on 49 designations of raw material goods, semi-finished products and vodka; the tax rates range from five percent (fuel gas, coal and ferroalloys) to 25 percent (wood industry products and leather raw materials) to 45 percent (non-ferrous metals) to 90 percent (rhodium).

An export tax is not levied on re-export operations. Moreover, the USSR Council of Ministers Decree No 148 dated 8 April 1991 stipulates that enterprises and organizations, which deliver goods for export (provide services) for state credits, gratis help and the paying off of the USSR state debt, which are provided for in intergovernmental agreements on commodity and economic cooperation for 1991, are free from paying an export tax.

The export and import tax is not levied on the USSR Gosbank, the central banks of the republics, budget organizations and also in cases provided for by USSR legislation and international agreements (for example, when providing humanitarian aid).

Finally, the USSR Committee for the Effective Management of the National Economy has given instructions in the above mentioned Decree No 4 dated 31 August 1991 to free enterprises and organizations from the payment of taxes on export and import operations during September-December 1991 and the first half of 1992 when they are purchasing food and basic consumer goods using their own hard currency assets and exchange (barter) deals. USSR Customs Committee Order No 94 dated 13 September defines the list of goods free from the payment of import taxes (cf. the Appendix). In this regard, the importation of the mentioned goods is not free from the payment of customs duties according to the rates in effect. When carrying out exchange (barter) operations aimed at the purchase of these goods, enterprises and organizations transfer the export tax amount to the deposit account of the customhouse. The tax is subject to being returned within the limits of their cost as the goods are imported. The determination of the import and export customs value takes place only in prices expressed in freely convertible hard currency.

**List of Goods Excused From an Extra Import Charge During September-December 1991 and the First Half of 1992
(Appendix to USSR Customs Committee Order No 94 Dated 13 September 91)**

No	Commodity Designation (CEMA YeTN Code)	USSR VED TN Codes
1	2	3
1.	Coffee beans (721)	090111, 090112, 090121, 090122
2.	Ground Coffee (849)	210110110
3.	Cocoa beans (721)	1801
4.	Bulk cocoa (721)	1803
5.	Cocoa powder (721)	1805
6.	Animal Fat (801)	0405
7.	Bananas (932)	0803
8.	Oranges (832)	080510

**List of Goods Excused From an Extra Import Charge During September-December 1991 and the First Half of 1992
(Appendix to USSR Customs Committee Order No 94 Dated 13 September 91) (Continued)**

No	Commodity Designation (CEMA YeTN Code)	USSR VED TN Codes
1	2	3
9.	Lemons (832)	080630
10.	Grapefruit (832)	080540
11.	Tangerines (832)	080520
12.	Packaged tea (849)	0902
13.	Meat and meat products (800)	Group 02, 1601, 1602
14.	Powdered milk (589, 802)	040210, 040221
15.	Wool and semi-wool cloth with nap (901)	5111, 5112, 5113, 580110, 600129100, 600199100
16.	Men's and children's overcoats (except leather and fur) (910)	610110100, 610120100, 610130100, 610190100, 620111 - 620119
17.	Women's topcoats (910)	610210100, 610220100, 610230100, 610290100, 620211 - 620219
18.	Suits (910) (including complete sets)	6103111 - 610329, 610411 - 610429, 620311 - 620329, 620411 - 620429
19.	Trousers (including jeans) (910) (including trousers, breeches and overalls with breast-collars and straps)	610341 - 610349, 610461 - 610469, 620341, 620343, 620349 (except 610341900, 61342900, 61034900, 610349900), 620342, 620462
20.	Jackets (910)	610331 - 610339, 610431 - 610439
21.	Other clothing (910, 913, 014 - 919)	620441 - 620459, 6116, 6117, 6205 - 6211, 6303, 6212 - 6214, 6209, 6216
22.	Outerwear and underwear knitted garments (914)	610441 - 610459, 6105 - 6114
23.	Hosiery (916)	6115
24.	Footwear (903 - 939)	6401 - 6405

Footnotes

1. A change in the procedure in effect for registering VES participants is taking place in the republics at the present time. In particular, the RSFSR Ministry of Foreign Economic Relations is introducing new rules for this procedure in a significantly simplified form on 1 November 1991.

2. Our weekly (Appendix to No 40, 1991) published the RSFSR Council of Ministers Decree No 445 dated 27 August 1991 "On Setting Quotas and Licensing the Export and Import of Goods (Works, Services) On the Territory of the RSFSR."

Airport Customs Chief On 'Changed Priorities'

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Union Edition p 2

[Article by V. Tolstov: "Anatoliy Kruglov, Sheremetyevo Customs Chief: 'We Are Giving the Green Light To Honest Business Undertakings'"]

[Text] Customs at Moscow's Sheremetyevo-2 international airport has apparently given up the habit of shaking foreign suitcases but, in return, it now monitors cargo more strictly.

This tedious and ugly procedure, which took up a lot of the passenger's time and plunged foreign businessmen

into a state of shock, has now been significantly simplified. If a passenger is certain that he should have no problems with customs, he simply follows the "green" corridor. If he is not sure, he can consult with an inspector and solve his problems at the "red" counter, without holding up the main passenger stream. The need for this most often arises when luggage contains something of artistic value, complicated equipment, or a large amount of hard currency that should have been registered upon entry so that no problem would arise upon departure. These cases, however, are rather rare. Basically, the inspection, which passengers previously spent an hour or more waiting for, now takes minutes.

Anatoliy Kruglov, the Sheremetyevo customs chief, says: "We have changed our service's priorities. Today, our main attention is directed not toward the luggage of passengers but toward cargo. We are now free of functions that are not peculiar to customs (for example, monitoring political literature) and we are carrying out a reorganization that is subordinate to only one purpose—protecting the country's economic interests. In states with a developed market economy, customs is one of the most important elements in regulating the market, and customs duties form approximately a third of all state budget revenues there. Our customs should operate in a similar manner.

"The customs hurdle is the first thing that a foreign businessman, who has taken the risk of plunging into our

confusing economy, and our native entrepreneur, who is looking for a path to the world economic system, encounter. I will take the liberty of providing some advice to those who have still not acquired experience in overcoming this hurdle.

"Sergey Afonin, deputy Sheremetyevo customs chief, and I have examined several typical situations which businessmen have encountered. The first business trip to our country and the first one by our people abroad have usually a familiarization nature. However, what if a need to take samples of goods has arisen as a result? How should one officially register their conveyance across the border? If they are single items or samples of raw materials in small quantities, customs does not pay any attention to them. Batches of goods, even small ones, are another matter. In this case, written confirmation from a juridical person concerning to whom and for what purposes the item samples are being offered and under what conditions—with the right to sell them or they must be returned to the country—is required in this case. If there is no letter, it is possible to declare the samples as a commodity and pay the customs duties. In this case, however, it is better to arrive early at customs and not an hour before departure. Otherwise, you risk being late for the plane."

Several days ago, customs detained 10,000 shirts which a Soviet businessman had imported into the country. He had refused to pay the import tax and had convinced the inspector that they were samples. However, the documents revealed that he had already paid for them; consequently, he was their owner. This changed things—

customs did not recognize the manufactured articles as samples and he had to pay the tax.

What if a deal has been completed, the commodity has been acquired and the new owner plans to export it from our country? Then, one must fill out a customs freight declaration—at first glance, it is a mind-boggling document consisting of 54 sections. It has an "additional list" consisting of 46. However, it is frightening only at first glance. Approximately 10 so-called declarers, whom customs has allowed to provide services in drawing up these documents, are working at Sheremetyevo customs. The service's quality and price are approximately equal and there is no line.

Here is another widespread situation. It is natural that a businessman visiting Moscow for the first time wants to take away something as a souvenir. If this is a picture or an antique item, customs requires a Ministry of Culture commission of experts finding as to whether the item can be exported or not. This rule does not apply to works purchased in a state retail store (with the exception of antique stores). It is necessary to point out that, having stopped hunting for extra bottles of vodka in tourist suitcases, customs has doubled its attention toward the export of works of art and antiques. The same pertains to weapons and drugs. Compared to last year, twofold-threelfold more of this junk is now being confiscated at the border.

I asked: How about gas-powered pistols? He answered me: We confiscate them. Although gas-operated pistols are not a weapon, USSR Ministry of Internal Affairs permission for their free importation has still not been received.

Canada Extends \$150 Million Credit for Food Goods*92UF0181AS Moscow PRAVDA in Russian 1 Nov 91 p 5*

[V. Shelkov report: "Is It Necessary To Help Our Country? Canadian Liberals Think That It Is. So Does the Government"]

[Text] Ottawa, 31 October—So, Ottawa is offering us \$150 million [Canadian dollars] to purchase essential goods in Canada for our population. We have been given six months to make use of the assets allocated. The Canadian newspapers are reporting that we are going to buy fodder and foodstuffs, including vegetable oil, meat, and foodstuffs for children.

Today the subject of aid for our country is receiving a great deal of attention in the press here. And indeed politicians and members of parliament are also talking about it. It can be seen from the loan that has been offered that the Canadian Government is trying in these present tight circumstances, resulting from a budget deficit that is not being reduced, nevertheless to find some assets at least to lighten the fate of our citizens this winter.

In order not to transgress from the truth, it must be said that in this country not everyone, of course, is prepared to make generous deductions for our use—they need the money themselves. Farmers in the western provinces, for example, believe that it would be better for the government think about their impoverished situation and throw everything it has into the struggle to deal with the agricultural crisis (which, strange though it may be, is not yet being reflected on the shelves of Canadian grocery stores). But gastronomes are gastronomes, and the farmers really are being ravaged and are asking for help. It is understandable that their idea of solidarity and their reasoning does not go as far as the need to show sensible generosity and toss a little daily bread to those who have ruined the best part of their own harvest. In Canada they have never had any sympathy for careless dead beats. A natural disaster is one thing: The Canadians helped handsomely in the Chernobyl cleanup, and after the earthquake in Armenia. But mismanagement and apathy are quite a different matter.

Incidentally, the \$150 million are not some gift from Ottawa. We are receiving the money "on a commercial basis," that is, simply put, at an interest rate. So that sooner or later it will all have to be repaid. The only question is, with what?

The position of those Canadians who are speaking out against massive aid for us and who think that it is we, first and foremost, who should necessarily extricate ourselves from the chaos in our own economy, should probably not be condemned. We have many supporters of that hard line here in the country. But in Canada there is a different viewpoint. Those who hold it believe that

Ottawa is not yet acting vigorously enough or energetically enough in the question of aid, and that it lacks a clearly defined, well-considered plan for cooperation with Moscow. The country's main opposition party, the Liberal Party, has spoken out on this subject. The parliamentary committee of liberals dealing with foreign affairs has made public special political recommendations reduced to a single document headed "Canada and a Changing Soviet Union: The New Course."

The liberals base their argument for the need for Canada to offer more substantial and multilevel aid for the Soviet Union and its republics on the revolutionary nature of events in our country. It is curious that as an illustration of the "astonishing scale of political changes" in the USSR in the last two months, the authors of the document cite the following fact: "The communist newspaper PRAVDA stopped publication for the first time since 1917, and then reestablished itself as an independent newspaper that is sharply critical of the authorities."

It is the opinion of Canadian liberals that the international community is called upon to play a very important role in guaranteeing the peaceful nature of the transformations in the Soviet Union and in preventing the kind of scenario that led to the violence in Yugoslavia. Canada, they believe, should take the initiative and show generosity and a flexible approach in the question of aid for the USSR.

What, in the opinion of the liberals, are the specific tasks that the Canadian Government faces in this field? They believe that Canada should make an effort to insure that the "Big Seven" countries assume an obligation to help in the creation of a stabilization fund to support reform in the economic and financial systems in the USSR. The liberals show that it is essential to ease the trade restrictions under existing Coordinating Committee for Multilateral Export Controls [Cocom] requirements so that the Soviet economy might have access to Western high technologies.

It is interesting that in parallel with economic measures the Canadian Liberal Party is suggesting that its own government take steps that would help establish political stability in our country.

That is how things stand with Canadian aid for our country. It is to be hoped that we shall be able to use it sensibly. It is obvious that we need our own clear-cut programs for its optimal use.

Meanwhile... In conversation with me, a Canadian Liberal Party foreign policy spokesman, Lloyd Aksuorti [as transliterated], who recently visited the Soviet Union, remarked that the Canadian organizations that should be dealing with special directions in the matter of aid do not yet have a very clear idea of who is responsible in our state or with whom one should talk about what. So...

Bush Forced To Concentrate on Domestic Affairs

92UF0189A Moscow IZVESTIYA in Russian 2 Nov 91
Union Edition p 9

[Article by IZVESTIYA correspondent A. Shalnev: "In Vain We Expect Money from America—They Need It Themselves"]

[Text] New York—A joint public opinion survey conducted recently by the ABC television company and the WASHINGTON POST created something of a sensation: The number of Americans who would elect George Bush to another four-year term in the White House had dropped to a level unprecedented in the history of the Bush presidency—47 percent.

Another survey, commissioned by NEWSWEEK magazine, confirmed this trend: In just one week, the number of Americans who approve of Bush's performance as president dropped 11 percent.

The main reason for the fall in the president's popularity is dissatisfaction with the way the economic situation is shaping up. Not in the past 30 years have there been so many people in America as there are at present who are discontented with the way the economy is going and what the standard of living has become.

It can be said, of course, that the Americans are rich and fat. And according to our present standards, that would be more than accurate. But Americans are oriented on their own standards and they do not like the fact that, after the bubbling eighties, after the period of "Reaganomics," of financial daring and economic zest, when millions were made in days and prosperity seemed endless, now they must really tighten their belts and think things over three and four times before making one purchase or another.

Life under "Reaganomics" was life on credit—both for the state in general and for its individual inhabitants. The federal budget deficit rose in unprecedented fashion, as did the debts of American consumers, who readily convinced themselves that the rise which began following the sharp decline of 1981-1982 would be eternal, and that one could therefore live a totally uninhibited life today, giving no thought to what tomorrow might bring.

Then tomorrow came, and it turned out to be completely different from what was expected. Again the country has been struck with a decline, and persuasive attempts on the part of the federal administration to show that the situation is on the brink of recovery is having little effect. The appeal issued recently to Americans by Vice President Dan Quayle, an appeal to "buoy up their spirits and tune themselves on a positive note," has had no effect—according to economic experts the season of Christmas purchases, which has already begun, promises to be exceedingly slack.

And the Christmas buying season is a far more accurate indicator of the economic situation than, say, the Dow

Jones index, or the level of growth—or decline—of the gross national product. It is accurate in that it is an indicator of the day-to-day, ordinary life of the people. When the stock exchange came crashing down in October 1987 and experts started talking in one voice about the inevitability of a new "Great Depression," the consumer had a different opinion: Christmas purchases were made as if nothing had happened. The consumer turned out to be right.

NEWSWEEK states that Americans are struck with fear. "They are afraid they will never be able to live as well as their parents did, and are concerned that their children will be still worse off."

Economic fears are being transformed into political skepticism. Obvious evidence of this is the fall of Bush's popularity and the noticeable excitement in the Democratic camp, which just a few months ago was in a state of bleak desperation, realizing that they had no chance of fighting on equal ground with the popular president and it would therefore be better not to waste effort on the 1992 election campaign, saving it instead for later on—the campaign of '96, when Bush would no longer be on the ballot.

And now Democratic candidates for the presidency have appeared like mushrooms after a rain. In this regard, people have already let their readiness to enter the fight be known, including some truly well-founded, solid individuals—New York State Governor Mario Cuomo, for example.

The polls are showing that Americans today are inclined to blame not the Democrats for their economic problems, but rather the Republicans, and in particular—surprise of surprises—former President Ronald Reagan, who brought "Reaganomics" to America and the vision of endless prosperity. Ronald Reagan and, naturally, George Bush. The White House, where opinion surveys are followed with special zeal and where survey results often influence the nature of decisions made by the president, cannot help but see what is happening in the population. George Bush, having made his name and gained his prestige chiefly through acts of foreign policy, and who once stated directly for all to hear that he does not find domestic policy as interesting as foreign policy, has begun to adopt a new approach.

One remarkable fact: Three times a week from now on, special briefings on domestic policy problems are being conducted for him in the Oval Office. True, foreign policy briefings continue to be scheduled as before seven days a week, and on certain days, not very often, twice.

It is difficult to give up one's habits. But necessary. And Bush is resorting to a measure which just yesterday would have been unthinkable: He is cutting short by several days a tour of Far Eastern countries planned to be completed the end of November-beginning of December.

The reason? A need to be at home and consider what should be done at this point—how to secure victory in next year's elections.

Success in foreign policy will not guarantee this victory. This is clear. The feelings and sympathies of Americans will not be won outside the borders of the United States. In the United States itself, there is one path to winning these sympathies—the economic path. Measures are necessary which will inculcate in the voter the confidence that a bright future awaits them with Bush.

In 1980, candidate Reagan asked the voters this question: "Are you better or worse off now after four years of the Democratic Carter administration?" Bush will win a second term if he can secure a flat "yes" in response to the question: "Do you believe you will be better off with me in the four years to come?"

How can he get this response? By taking measures which would result in escaping the decline, or, at the very least, by creating the well-founded appearance with the voters that a way out of the decline has been found. The measures may be harsh. Richard Nixon, troubled by the fact that his election to a second term was threatened by the high level of unemployment and swiftly rising rate of inflation, froze wages and prices in August 1971.

What will Bush do? His economic advisers are still only conducting discussions, engaging in sharp disputes among themselves and with the leaders of various federal departments, primarily the Defense Department. But one thing is clear. Bush cannot avoid measures to curtail the gigantic budget deficit, now nearing \$350 billion, and eliminate the problems caused by it.

In down-to-earth terms, Bush the candidate will need money. Lots of money, ready money. He cannot allow himself to toss funds which will be freed up as a result of, say, reductions in the military budget, to outside purposes—massive assistance to the Soviet Union, for example.

Yes, Bush has just announced new credits for our country, a billion and a half. But, first of all, discussions revolved around a figure of two and a half billion. And second, we will not gain as much from these credits as America itself, or more accurately, the American farmers, who have nowhere to put their produce. And the storage of this excess produce is costing both the farmers and the state incredible sums of money.

Yes, we are relying not so much on American assistance coming to us through state channels, as much as on private assistance—investments by major corporations. But it would be naive not to take into account the fact that American private business, the very incarnation of market economics in its purest form, not all that infrequently takes a look back at the state, and at how it seems to be disposed, and only afterwards determines its own position.

But the United States is disposed, it seems to me, definitively: "We need the money ourselves."

In its most primitive postulation, the question is clear: What is more important to Bush—assistance to us, or a victory in the 1992 elections?

And I don't think it needs a lot of time to arrive at the answer...

U.S. Interest in Space Programs Caused by 'Alarm'

PM1211150391 Moscow IZVESTIYA in Russian
9 Nov 91 Union Edition p 2

[Report by S. Leskov: "Is It True That the USSR Is Selling Space Secrets?"]

[Text] Reports have appeared in the Western press that the USSR is seeking a market to sell secret elements of its space program. According to the French weekly, L'EQUIPE, the sales list includes powerful rocket engines, a satellite control center, the "Soyuz" spacecraft, the "Mir" orbital station, and nuclear reactors. THE NEW YORK TIMES writes that the USSR's intention of gaining access to the space market has caused alarm within the U.S. military-industrial complex. The newspaper points out that the United States was so interested in a possible deal that a crew was urgently kitted out to evaluate the "goods" offered by the Soviets. In the newspaper's opinion, the U.S. desire to gain possession of secret Soviet space technology is attributable to its desire to retain the monopoly, ruling out any chance of Japan and Germany's acquiring this technology.

This is not the first time that there has been talk of selling off unique Soviet space technologies. IZVESTIYA (No. 216 this year) told of our space department's true position on commercial links with the West. With "Mir" the proposals go no further than conducting joint research aboard the station. Any specialist realizes instantly on studying the crux of the matter that there can be no real question of any sale of technological secrets. However, a new wave has built up.

In the opinion of Yu. Koptev, USSR deputy minister of general machine building and president of "Kosmos," the hullabaloo over the USSR's commercial activity is being whipped up by U.S. space concerns that are extremely concerned at our gaining access to the world space market. The sensational saga of the seizure of a Soviet nuclear reactor in the United States early this year bears this out. The USSR today is capable of offering a number of space services with a high degree of reliability and at a lower price than the West. This applies above all to launch systems [sistema vyvedeniya], long orbital flights, and motors. It is indicative that articles raising this "burning" issue have appeared in France and the United States, which currently control the market in space launch systems.

Of late the USSR has competed for space projects in Brazil, Australia, and Mexico. Everywhere our terms were economically more favorable and technically at least no worse than our rivals. But, according to Yu. Koptev, each time the Americans used every lever, even the press—and the customer was forced to reject Soviet services. The representatives of the U.S. military-industrial complex mentioned by THE NEW YORK TIMES are paying an exploratory visit to the USSR, without any authority.

Space exploration is one of the few fields where the USSR retains its world positions. It is here that we are up against the tough laws of market competition. The West graciously hears our entreaties for humanitarian aid and credit, but they forget in a flash as soon as the talk turns to using our own achievements, which would affect the interests of the major corporations, and to the avowed need to maintain perestroyka. Ahead of political leaders'

meetings leaders of the USSR space industry have frequently asked insistently for the question of lifting the embargo on Soviet space services to be raised—hitherto without result.

The space industry in which we have always taken pride urgently needs commercial success. It is, after all, on the verge of collapse today. And opposition from Western monopolists is not the only reason for this. Disorder reigns in the managerial restructuring, although space exploration cannot do without a unified state management organ or without centralized funding even in the richest power. Our 1991 funding has already been cut by one-fourth. As a result many highly prestigious design bureaus are literally on the verge of bankruptcy. People are saying that in December the renowned Flight Control Center will be unable to pay wages for its specialists, whose skills are unparalleled worldwide. That's commerce for you....

European Military, Political Integration Seen Likely

92UF0197A Moscow IZVESTIYA in Russian 5 Nov 91
Union Edition p 7

[Report by IZVESTIYA correspondent Yu. Kovalenko:
"Is There Destined To Be a European Army?"]

[Text] Paris—The French-German initiative concerning the creation of a joint army corps, which would become the nucleus of a future European army, has somewhat overshadowed the proposals made simultaneously by the two countries concerning the formation of a political union within the EC framework. Yet they merit particular attention.

Paris and Bonn proclaimed as the main purpose of this union the EC's formulation of a common foreign and military policy whose ultimate aim would be the creation of European defenses. The Western European Union (WEU), uniting nine countries, would study these questions, the French-German plan emphasizes. Following the association with it of the three remaining EC states (Denmark, Ireland, and Greece), it is to be integrated into the community structures.

Subsequently the WEU would be a most important military and political body of the European Community which would deal with all problems of planning and coordinating policy in the defense sphere, meetings of chiefs of staff, joint maneuvers, and so forth. It is proposed to create under its auspices an agency which would undertake standardization of arms and munitions production. In addition, Paris and Bonn advocate the transfer of WEU Headquarters from London to Brussels, where the main European institutions, with which it would work in close contact, are located.

Questions of the WEU's relations with NATO are the most "delicate." Attempting to anticipate Washington's objections, Paris and Bonn note in the plan they presented that their purpose is to strengthen the European pillar of the Atlantic alliance and they emphasize that one organization would complement the other, coordinate efforts, and so on and so forth.

What, however, are the priorities of the military-political alliance in the form in which Paris and Bonn propose that it be created? I note that the development of political and economic relations with the Soviet Union is cited as the first item. Then come relations with the East European countries and an intensification of the CSCE process, and only then relations with the United States and Canada.

In putting forward this plan of union, France and Germany are hoping that it will be examined and, with possible amendments, approved at the EC summit to be held in December 1991 in the Dutch city of Maastricht.

And to lend impetus to political integration the two countries presented an effective military initiative—the creation of an army corps numbering 50,000 men.

This proposal has been supported, on the whole, in a number of capitals, specifically, Madrid, Brussels, and the Hague. Only London was immediately opposed, as was to have been expected. British Foreign Secretary D. Hurd declared that this would only lead to a "futile and dangerous" duplication of NATO.

The creation of a French-German army corps and the possible association with it of other countries will be examined at the meeting between F. Mitterrand and H. Kohl to be held in Bonn on 15 November. The heads of government of all EC states have been invited. It has already been announced that the headquarters of the new military formation will be located in Strasbourg, and the formation itself, on German territory. The corps will include French units which are now on the other side of the Rhine and also a French-German brigade deployed in Boeblingen.

What assignments will be entrusted to this corps and, subsequently, to the entire European army? Will it possess nuclear weapons? How will this army interact with the army units under NATO command?

Exhaustive answers cannot be given to these questions right away, it is believed on both sides of the Rhine. The main thing at this time is that Paris and Bonn have actually initiated the building of European defenses.

But there is no agreement as yet among the "12" in respect of their future role. As distinct from Paris and Bonn, which recently agreed together with Madrid on the creation of military structures independent of NATO, London and Rome are advocating that the WEU and European defenses serve merely as a pillar of NATO on the continent. Washington holds the same viewpoint.

Is a compromise between the two approaches possible? Paris believes not. "This is the same as attempting to combine such different elements as water and fire," Foreign Minister R. Dumas emphasizes. So whose will prevail? Will the Europeans be able to reach agreement on the basic principles of military integration? Will they abandon the American umbrella?

Although it will be withdrawing considerable numbers of its forces from Europe, the United States is not about to forgo its leadership in NATO and has up to this point cut short the allies' attempts to free themselves from its tutelage. From the trans-Atlantic viewpoint, independent EC foreign policy and defenses would merely weaken both the North Atlantic alliance and American positions in Europe. Washington, on the other hand, intends to strengthen the role of NATO and entrust to it the solution of political questions.

Simultaneously the North Atlantic alliance is endeavoring to assume some of the functions of the CSCE. In an interview for the Paris press, NATO Secretary General M. Wörner maintained that the CSCE was capable merely of supplementing the efforts of the bloc, which would remain "the sole organization capable of providing for collective security." I note, incidentally, that,

in his opinion, NATO is a "magnificent model" for military-political cooperation among the former Soviet republics....

The following scenario for the development of events is the most realistic in the foreseeable future, observers believe. The EC countries will reach agreement on the basic principles of military-political integration, Eurodefense included. Over a lengthy period of formation it will interact closely with the NATO structures and will gradually absorb them. And this by no means precludes the participation in Eurodefense—or in the CSCE either—of the United States. Up to and including, possibly, the final formation of military-political and currency and economic unions of the Community and its conversion into a United States of Europe. But this is a very distant prospect.

European Economic Integration Described

92UF0195A Moscow SOVETSKAYA ROSSIYA
in Russian 6 Nov 91 p 3

[Report by IAN correspondent V. Katin: "12 Plus 7"]

[Text] Luxembourg—An old acquaintance of mine, Jacques Pichot, a construction worker by profession, lives near Strasbourg and each day crosses the border into the FRG to work there. The Germans pay better, apparently, and the drive from his home to the construction site is only half an hour. There are approximately 200,000 like him in the border areas, living in one country and working in another. French people go to work of a morning to Luxembourg and to Belgium, and Germans go to neighboring countries for the same purpose. In a word, all is mixed together in this Europe, as in a common pot. Not only people, but also heavy transport carrying along the capillaries of roads produce, merchandise, and fuel, move easily and without formalities.

All this put together is called border cooperation. Practically all neighboring countries in Europe have with one another special, preferential trade and economic conditions which differ from those of countries which are geographically more distant. Such, simply put, warm relations are natural, as is also the fact that for the citizens of neighboring countries the borders are becoming arbitrary. I have known, for example, timber cutters in Poland's Tatra mountains who have no concept of border passports, visiting acquaintances in the Czech Tatras without hindrance.

And now the FRG and Poland are preparing to create a joint border economic space along the Oder and Neisse to a depth of 100 km on Polish territory and 50 km on German territory with an overall area of 53,000 square km (21,000 in the FRG, 32,000 in Poland). For comparison: This zone will be greater than the territory of Belgium or Holland. The intention is to convert this region into a model instructive reservation of highly developed agrarian and industrial production. In

Poland, instead of mainly small-scale farmsteads, large-scale highly profitable farms for the fattening of livestock and the cultivation of cereals and horticultural crops for export to the USSR and the Scandinavian countries will be formed. Enterprises for the manufacture of agricultural equipment, packaging, wrapping materials, and so forth will be built here. A special bank with a capital of half a billion marks is being formed to finance the project. The location of the bank is Berlin, its chairman will be a German and its fixed capital (70 percent) will be German also. These facts are causing apprehension in Warsaw and the EEC countries, where it is believed that the FRG could become the sovereign proprietor in the new economic zone and would dictate its terms. The Germans are tempting the Poles with the fact that, they say, realization of this plan would accelerate their country's development and make it possible to join the Common Market more quickly and are promising their assistance. To judge by everything, realization of the project will commence very shortly inasmuch as it is economically beneficial to both countries.

If a bird's-eye view is taken of Europe, it can be seen that it is entirely in centripetal motion and that countries and peoples are trying to draw closer together and unite. This is not an image but reality. After all, the event of the century is the fact that two supergiants, the two clans of European business, have just amicably negotiated the formation of an alliance. The negotiating marathon was long and arduous: They started two years ago, and in the home stretch in Luxembourg they dragged on for 17 hours straight. We are talking about the EEC consisting, as is well known, of 12 states and the European Free Trade Association (EFTA), which has seven participants—Austria, Sweden, Switzerland, Liechtenstein, Finland, Norway, and Iceland. The assignment was the formation from these two groupings of a common space for free trade and enterprise. Understandably, such things are not accomplished rapidly. Whence the long process of discussion and debate and the grinding and polishing of the two systems for their complete interface. It has to be said that EFTA was created in 1960 as a counterweight to the EEC from countries unwilling to join this latter organization. It is noteworthy that Denmark, Britain, and Portugal, which were previously members of the association, soon deserted to the Common Market. And here at the end of October in Luxembourg the representatives of the countries of the two groups sealed by their signatures a unique historic document—as of 1 January 1993 their internal borders will be flung open, and full scope will be afforded for the movement of citizens, commodities, capital and services in a space from the Baltic to the Mediterranean. Thus the consolidation of Europe, in which countries and peoples, while preserving their national specifics, intend to live as one family, displaying no concern for visas and duty and subordinating themselves to laws common for all, is occurring before our eyes.

Much persevering work was performed on the project of the century by the creator of the monolithic Europe,

Jacques Delors, chairman of the EEC Commission. His contribution is unquestionable. It has to be said that this individual enjoys great popularity and that he is destined for the office of president of France, and a public opinion poll bears out such a forecast. The popularity of any leader now is largely determined by his devotion to the idea of a united Europe. George Washington once said that the Europeans would ultimately arrive at a state formation like that of the Americans. So, as we can see, a United States of Europe is being formed—slowly, but surely. The new alliance of 19 countries—it is now called the European economic space—unites 380 million persons, which constitutes just 7 percent of the world's population, but which accounts for 42 percent of world trade. The indicator will hence forward grow; this is, after all, why the Europeans are uniting.

But what is the main intention of their unification? First, to facilitate to the utmost trade and economic activity and all the procedures and formalities connected therewith. It has been estimated that truck transport idles for millions of hours a year at border-crossing customs alone. Second, to prepare the smooth entry of the seven countries which constitute EFTA into the EEC. They are perfectly ready for this now, and they would be accepted immediately. But entry into the EEC is not conceived of as a collective action: Each country has to make up its mind to this independently in line with its willingness and the consent of the population. The path of public discussion—referendum—will be chosen, most likely.

Naturally, the following question could arise: Why did the negotiations on the unification of the two economic organizations take so long? It is essential, I believe, that we dwell on this in detail. Aside from the mass of technical problems, three serious stumbling blocks arose. The first was the transit of freight across the territory of certain countries, across Austria's Alpine regions, for example. Concerned about protecting their natural environment, the Austrians took exception to the unrestricted traffic on their roads of truck transport from the EEC states. Specific transit quotas, which satisfied everyone, were agreed. The second obstacle was the fish industry. After all, from now on any of the 19 countries may engage without restriction, it would seem, in fishing in the territorial waters of states with an outlet to the sea. But far from everyone agrees with this arrangement. This problem also was settled by way of painstaking calculations and compromise. The third difficult subject of the protracted negotiations was the creation of a fund for assisting the less developed countries of this new trade and economic empire. The point being that the living standard in EFTA is higher than in EEC—a per capita income of \$27,000 a year compared with \$18,000. For this reason the Community insisted that the seven countries of the association open their pockets for their less well-off relatives—Spain, Portugal, Greece, Ireland. A sum of \$2.5 billion was agreed.

Such was the conclusion of the difficult negotiations, which showed that the trend toward unity of the European peoples is a reality. At the same time the mere fact

of the unification of states with a far from identical economic structure and living standard testifies to a resolve to pull up those lagging behind.

The reader may ask: Will EFTA be dissolved in the Common Market? I put this question to Fonce Thais, director of the Commission's information services.

"The union which has been achieved," he said, "does not mean that the two groups have ceased to exist. Merely an economic space, and no more, has been formed, whereas there is within the EEC a whole range of areas of cooperation—political, legal, currency and financial, environmental. Military cooperation is taking shape also. The EFTA countries are admitted to none of these spheres as yet. I purposely say as yet. Inasmuch as they, these seven countries, are on the threshold of admittance as full members of the Community."

East Europe is closely scrutinizing the alliance of the two economic groupings. The Baltic is greatly interested in this. Joining the Common Market is a lengthy procedure. A mass of information concerning economic and financial prosperity and the health of the national economy has to be presented. Joining EFTA, on the other hand, has been far simpler. For this reason Latvia, Lithuania, and Estonia have performed the corresponding work and have already received an invitation to the December session of the EFTA Council of Ministers, which will meet in Helsinki. According to information from credible sources, agreements on cooperation and, subsequently, on free trade will be concluded with the three Baltic republics. This is in fact an "orange light" prior to "entry" into the European economic space, of which each country of the continent now dreams.

Future of Relations with Germany Explored

91UF0151A Moscow *NOVOYE VREMYA* in Russian
No 39, 1-7 Oct pp 18-20

[Article by Dmitry Pogorzelsky: "Of Kings and Flags"]

[Text] The German eagle has cast off its chains, has flapped its wings, and has issued a friendly scream. What now? Will it spread its wings and soar, not to attack, but to render help? Or will it be moodily sitting on its perch, pecking at rich food and preening its feathers with its hooked beak?

Timothy Garton Ash, English expert in German history and customs, wrote this a year ago, during Germany's reunification. For the past year Federal Germany has been discussing German foreign policy under new conditions. A year is a short span of time for a country to get its bearings amidst sudden reunification. Germany has really become a major factor of European policy, although it does not yet feel at ease in its new role. A *SÜDDEUTSCHE ZEITUNG* poll has shown that two-thirds of the Germans mentions Switzerland and Sweden as examples to follow. Does it mean that an economic giant would like to remain a political dwarf? What prevents the eagle from spreading its wings and soaring?

"The German Syndrome"

In December 1989 Francois Mitterrand hurried to the USSR to urge Mikhail Gorbachev not to allow a quick reunification of the two German states. Swift sudden changes had thrown Germany's neighbours into confusion. The fears of olden days had seized the Europeans again. Politicians in Moscow, Paris, London and Warsaw lost their peace of mind thinking of Europe once again in the iron grip of the Teutons. They even recalled Tacitus who noted that peace was alien to the Germans.

Fifty years ago the maxim of the ancient Roman historian developed into a stable "German syndrome." As a result, the Germans have been continually associated with the crimes of the Nazi regime. New faux pas in European and world politics have been expected from the Germans who are now reunited.

One can easily imagine the hullabaloo if, from the very beginning of the crisis in the Persian Gulf, The Bonn Government had equipped a contingent and sent it to the area of conflict. People on the Rhine were in no hurry confident that it was better to try to bring the aggressor to reason with economic sanctions than to use military ways. When, with the UN blessing, the United States unleashed the war, Germany tried, on the one hand, to remain loyal to the Constitution which prohibited military ventures abroad, and, on the other, not to be stuck in isolationism. Germany reluctantly raised its banner, with its mine sweepers heading for the Gulf and its Finance Minister (with a bag of money) heading for Washington. The allies in the anti-Iraq coalition posed a question: did the Germany turn into rich and lazy malingerers who wanted to pay themselves off with 17,000 million marks?

However, half a year later when Hans Dietrich Genscher mentioned possibly sending troops to Yugoslavia, under the aegis of the European Community, to try to stop the fratricidal war, he was checked to the effect that Germany ought to be more restrained because of its history.

To Germany foreign policy is like walking in the mine-field of the historical memory of European nations. Every incorrect step could cause an unexpected outburst of old grievances and fears.

German internal developments are also closely watched from outside, as if people do not believe the Germans and are trying to see their "true designs." The sallies of the right-wing radical groups in the new Federal lands irritated people in the European capitals. Cruelties in the ex-GDR are abominable. They worry the Germans themselves who are very sensitive to violence and the violation of human rights. But why is the Old World inattentive to Le Pen's overt fascism which is gaining strength in France? And why does the Old World keep mum about overt anti-Semitism in Poland?

It was funny to see that some people regarded the symbolic re-burying of the remnants of Frederick the Great, the Prussian King of the mid-18th century, as a

kind of restoration of Germany nationalism, militarism, and the Prussian spirit. To my mind, the fulfillment of "Old Fritz's" will (to be buried side by side with his favourite dog in the Sanssouci park) two centuries later signifies the ultimate logical conclusion of that period of German history.

Suspicion and distrust towards the Germans and their policy prevent Germany from feeling itself on a par with others on the world scene and from acting in conformity with its increased influence and awareness of its own responsibility. The Germans have shown for a whole world to see that they have managed to overcome their tragic past, but have not forgotten it and have drawn necessary conclusions from it. For the first time in Germany history more than one generation has grown up in a democracy, which has become the only possible form of state structure and way of life for the Germans. The times of Arminius (Hermann), Kaiser Wilhelm, and Reichskanzler Hitler have gone never to return. It's high time European nations rid themselves of the "German syndrome." Today European countries deal with an entirely new Germany and in a political system of fundamentally new principles.

What's In Store for Europe?

Helmut Schmidt, ex-Chancellor of Federal Germany, noted that by the beginning of the coming century he would like the world to no longer have a German mark. Is Herr Schmidt sincere?

Beginning with the mid-1960s the main goal of German policy has been to integrate, to build up a united and powerful Europe without customs houses or boundaries, with common currency, the common market of manpower, and common standards of living. This goal is not far off. In the opinion of Bonn politicians, however, the cause of paramount importance today is to crown the process of integration with the establishment of a political union pursuing common foreign policy in the field of security. It implies partial restriction of sovereignty. It might seem strange that, having gained sovereignty merely a year ago, Germany is ready to waive it and tries to persuade its partners to overcome the egotism of narrow nationalist interests. The main thing now is to combine efforts to tackle problems of international as well as regional importance.

Bonn experts believe that the European Community is the only international institution capable of using and distributing Germany's economic might for the welfare of all of Europe. It is also capable of rendering harmless the hotbeds of nationalism in Central and Eastern Europe. Chancellor Helmut Kohl is sure that Germany's reunification promotes, not prevents the earliest possible integration of Europe. Hans-Dietrich Genscher usually notes in this context that the Community is called European, not West-European.

Such statements also evoke discontent, in Paris above all. They say that German-French relations are ceasing to be the basis of integration, that the Bonn officials are losing

interest in the European Community, and are instead, turning to Russia and Eastern Europe, trying to expand the Community in order to dictate their will to it afterwards. These apprehensions have been aroused not by the policy of Germany, but by the confusion among the government officials of the Old World after East European revolutions.

To remove suspicion German government officials note, time and again, that their task of paramount importance is to unite Europe and to stabilize it. The Bonn officials would prefer the European Community to develop its own "Eastern Policy," because it is impossible to shoulder unilaterally, entire burden of aid to new democratic regimes established on the giant territory of the former socialist camp, not to mention the adaptation of Eastern Germany.

Last year Federal Germany's football team won the World Cup, thus commemorating the historic reunification of Germany. Those were two unique occasions for the triumph of the German spirit. They were celebrated with champagne, fireworks, etc. The Bonn flag factory had a busy time. Its product, not the German black-red-golden tricolour, but that of the European Community, the blue one with 12 golden stars, was in great demand.

There has appeared a new trend in relations between the United States and West-European countries. Government officials in the United States and West-European countries understand very well that now that there is no longer a threat from the East, the U.S. military presence in Europe becomes less expedient. Of course, the United States would like to stay in Europe to continue influencing its political developments. The French, the British, the Dutch, and the Poles would also like to have the Americans in Europe to "look after" the Germans. However, such a stand is not realistic. The U.S. Administration right away found a way out and made an extremely flattering and alluring offer to the Bonn officials: a "partnership in leadership." The Bonn Government, just as its neighbours, however, remained rather cool towards that flirtation. After all, if there are leaders there should also be followers. Consideration for the opinion of its neighbours will probably make the German Government reject the magnificent offer. So, the two eagles will not be braving politics side by side.

What To Do with the Remnants of "The Empire"?

Germany's normalization of relations on the international scene is impossible without stable contacts with the USSR. The swift disintegration of the Soviet Union has caused a certain confusion on the Rhine. The Bonn Government faces a far from easy problem. Whom to develop relations with: the waning central government or the republics vying with one another in declarations of independence?

The decision is that the government should patiently wait for the situation to become clear and the jurisdiction of the new, sovereign, republics and the ex-Central

Soviet Government to become fixed, bearing in mind that the republics will gain prestige and influence.

The German Government has been justified in its decision regarding Soviet developments after the abortive putsch. so far the German Government is not in a hurry to appoint ambassadors to Dyushambe or Kiev. However, appointments to Latvia, Lithuania, and Estonia are a different case. The Germans have always felt special moral responsibility to those three.

Bonn officials point out that they will respect the right of nations to self-determination, but would prefer coordinated foreign policy carried out by a changed, but single Central Soviet Government. The crux of the matter is, though, that Soviet policy towards European countries generally, and Germany in particular, remains unclear. I touched upon this question in my talk with an influential Bonn official. That tactful gentlemen noted that I had spared him from telling me rather unpleasant things.

The Soviet Government has of late paid tremendous attention to its relations with the United States and little attention to relations with European countries. Moscow officials believe that the Germans will be forever grateful to them for the reunification of their country. Of course the Germans will entertain such feelings, but that has nothing to do with politics. In 1994 the last Soviet soldier will leave the territory of Federal Germany. The Soviet Government will, thus, lose the last opportunity of influencing Germany policy. (I doubt that this opportunity can be used even now.)

Can Germany serve as "a bridge to Europe" for the USSR? Moscow officials hope so, by the way. Influential Bonn official told me frankly that there was no way to the EC even for renewed USSR, to say nothing of the fact that the EC membership envisaged a certain level of development which is yet far off for the USSR. The European Community simply would not be able to carry such a burden. More active cooperation with the European Community is possible, but without any kind of special relations with Germany. True, there will be the constant temptation of such an alliance, due to historical reasons and mutual predisposition. As soon as the Soviet Government tries to seek special relations with the German Government the anxieties of olden days will appear in the European Community again. And that will complicate the return of the Soviet Union to the civilized world.

Yeltsin on Honecker Extradition, Relations With Gorbachev

*LD1311140891 Hamburg DPA in German 1233 GMT
13 Nov 91*

[Text] Hamburg (DPA)—The extradition of Erich Honecker, which the Federal Republic desires, is made more difficult due to a "moral problem" between Soviet President Mikhail Gorbachev and the former GDR chairman of the Council of State (Honecker); this is the

opinion of Russian President Boris Yeltsin. In an interview with the Hamburg weekly newspaper "DIE ZEIT" which was prereleased today, Yeltsin also says that he will continue to work toward a solution of this problem. The Federal Republic has a "certain claim" to Honecker, who has not requested political asylum in Moscow.

Gorbachev told Yeltsin that he has moral obligations toward Honecker which he finds difficult to ignore. Yeltsin continued: "I am able to make decisions on many problems now without asking Gorbachev, almost everything. But several remain which I, cannot decide. I cannot take Honecker, grab hold of him, and bring him to you. The world would probably condemn me morally for that". Yeltsin stresses that he has given no guarantees to Honecker himself. However, he is not able to make any guarantees regarding Honecker's extradition either.

Danes Take in Chernobyl Children

92UF0149A Moscow ZA RUBEZHOM in Russian
No 39, 20-26 Sep 91 p 13

[Article by Sergey Rogulskiy: "Eccentrics Live Here"]

[Text] The fate of those who were victims of the accident at the Chernobyl nuclear power station is a subject of great sympathy abroad. Last summer children from regions affected by the Chernobyl catastrophe visited many countries at the invitation of philanthropic organizations and private persons. One invitation was received by school children from Bryansk Oblast. Our correspondent went with them to Denmark.

The trip that I want to describe took place before the attempted state coup in our country. The tragic events of those August days have not effaced it from my memory. The trip could hardly have taken place were it not for the policy of "new thinking" proclaimed in the Soviet Union in 1985. It is terrible to think that if the coup had succeeded, contacts between countries, peoples, and individuals would have been threatened. It is easier to destroy than to build. And it is particularly difficult to build anew the interpersonal links that are being developed and strengthened thanks to devotees and enthusiasts such as Danish farmer Dan Dissing-Madsen.

An Unexpected Invitation

The Danes have what in my opinion is a fine tradition: If there is a celebration in the family, outside the house a state flag is raised to the accompaniment of music. This summer, in honor of the arrival of children from the Chernobyl zone, two state flags were fluttering outside Dan Dissing-Madsen's house—the Danish flag and the Soviet flag.

It all started in April, when Jan Pedersen, the director of a company that sells construction materials, went to the Soviet Embassy in Copenhagen. He proposed that a vacation be organized at Dan Dissing-Madsen's house in

Jutland for two groups of children from Bryansk Oblast who had suffered from the accident at the Chernobyl nuclear power station.

After the accident the iodine levels in the children's bodies fell. In order to restore their health what was needed was a temperate European climate with sea air filled with iodine. Because of the strong effect of solar radiation the southern regions of our country were contraindicated, and here the invitation from the Danes was very apropos.

Jan Pedersen and Dan Dissing-Madsen paid all the expenses connected with the accommodation and food. The Aeroflot office helped in ordering the round-trip tickets from Moscow to Copenhagen and the Bryansk Oblast Executive Committee paid for them. The USSR-Denmark Friendship Society organized practical matters for the trip.

Incidentally, a word about the attitude of the Danes toward the accident at the Chernobyl nuclear power station. I talked with a physician, Benta Helmar, who out of professional interest has been following the information coming from our country about the catastrophe at Chernobyl. She said that it had been very difficult for the Danes to orient themselves in the sometimes conflicting information about the details of the accident. First there would be information that, so they said, the scale of the catastrophe was very great, then suddenly there would be contradictory references to reports from experts of the WHO claiming along with Soviet experts that the radioactive irradiation was even harmless. It is difficult to say where this kind of confusion can lead. But the fact is that the Danes' interest in this problem would first intensify and then weaken. However, as Dan told me, there was no doubt about one thing—sympathy was very high for those who had suffered.

Dan himself and many of his friends had visited the USSR as tourists. We talked with him for a long time over evening tea about the changes in our country. During one such "session" Dan suddenly admitted that although he was not a member of any political party he was an ardent supporter of the socialist idea, and that he sometimes got quite heated about it. Of course, this was said half as a joke, but Dan's opinion of the processes taking place in our country was high. He said that any desire to liberate the Soviet people and give them full freedom of thought and action was worthy of every kind of respect, and should not be stopped halfway. And his wife Ellen said that the most important thing in all these endeavors was the individual, because it was precisely the individual who would be at the center of any renewal. God forbid, she added, that the times of Stalin should be repeated.

But let us return to how the Dissing-Madsen family decided to take in unfortunate children from the Bryansk area. The idea came to Dan after he had seen the television program "Children of Ceausescu." He was shaken when he saw the Romanian children, their bodies

swollen from hunger, poorly clothed. "When the program was over," he said, "I was unable to sleep at all that night. I sat and thought how we could help the children. At about 0400 I wakened my wife and told her: 'We must send the Romanian children clothing and food, footwear and toys.'"

No sooner was it said than it was done. One of the Danish philanthropic organizations helped to lease the truck that Dan and two of his good friends themselves drove to Romania with 17 tons of freight. "The trip went well, and we decided to continue the activity," Dan Dissing-Madsen told me. Later, Ellen told me this: "We decided to continue this charity work, and we invited children from the Chernobyl zone and from Armenia for the summer."

No Receipt Is Necessary.

So our group arrived at Dan Dissing-Madsen's farm—25 children from the cities of Novozybkov and Klimovo in Bryansk Oblast, located about 230 kilometers from Chernobyl. While we were there as guests at the farm, 10 children from Armenia arrived, and on 1 September the Dissing-Madsen family received another group from the Chernobyl zone. In all, during the summer and early autumn about 200 children visited the farm. You understand that feeding that number of children, not to mention organizing some kind of cultural program for them, is a very, very far from simple matter. However, the masters of the house remained optimistic. "I prepared all the meals myself," Ellen said. "They were simple and inexpensive." All summer long some Danish trade companies supplied Dissing-Madsen with free black bread, pastries, canned fish, corn flakes, and vegetables. Jan Pedersen organized the deliveries of the food and paid for them.

The neighbors were also involved. True, some of them called Dissing-Madsen an "eccentric"—look, they said, he is spending his money when he has enough troubles of his own already. Most people, however, responded with sympathy to the good cause in which the family was engaged, and showed a readiness to help. Dan tells that one pensioner, even though his own life was not easy, sent 100 kroner. Another man, who wishes to remain anonymous, sent 15,000 kroner, with a note quite unusual for the Danes: "No receipt for the money is necessary." Others sent sacks of potatoes, beets, and other vegetables. But there is no doubt that most of the expenses were carried on the shoulders of the Dissing-Madsen family. And in addition they paid out of their own pockets for the excursions made by the group.

The Dinesmine farm owned by Dan Dissing-Madsen is medium-sized by Danish standards, covering an area of just over 150 hectares. Dan's main activity is raising hogs (he has about 10,000), and he also rears mink and geese, and grows wheat and rape. In addition, he has a quite large kennel of hunting dogs—terriers, spaniels, and Newfoundlanders. Dan breeds pheasant and roe deer, but that is mainly for a hunting organization located

about an hour's journey from the main farmstead. He makes about 15 million kroner a year, that is, about \$2.5 million. Not bad. But as a city person born and bred, it was something else that astonished me. Dan has only four workers on the entire farm. Two of them work in the main hog-raising compound, the other two in the fields. Dan's two sons also help. The elder works on the construction of new premises, the younger looks after all the farming equipment and the dogs. Naturally, they all help one another both in the fields and at the farmstead. It was with special pride that Dan showed me the computer that he uses to monitor the feed for the hogs and determine dosage for the fodder. All that it needs is to be given a program in good time. Nevertheless, Dan did admit that it is a quite exacting business. He has to work a great deal, but he is perfectly well aware that no one else will do the work for him. I got the impression from my conversations with Dan and his children that in Danish families, particularly farming families, from a very early age a sense of independence and responsibility for what they are doing is instilled into the children. One of Dan's sons, 17-year-old Mikael, handles a tractor with such dexterity and skill that it would seem he has been doing it for 10 years at least.

The state also has an interest in helping farmers. Agriculture is the main sector of the Danish economy. In Denmark a very extensive system of credits has been put in place. Dan told me that he has a 30-year loan from the bank. This has helped greatly in constructing his buildings and managing the farm. "Incidentally," Dan adds, "the bank then tracks very carefully what the farmer does after he gets the loan." The system of monitoring agricultural output is very well developed in Danish agriculture. There is veterinary monitoring, and control over the quality of meat sent to the slaughterhouse. "If the produce from a farm is not subject to this control, where the results are automatically passed to the bank, the bank may refuse to provide further credit to the farmer, or force him to sell his produce at a lower price," said Dan Dissing-Madsen, continuing his story. "You can see that the one incentive is money, but it is in fact effective and it works without a hitch."

In general, in order to avoid losses a farmer must work, work, work persistently from sunrise to sunset. As Dan himself said, half seriously, half jokingly: "Any kind of weather is fine. We need the rain and we need the sun. There is always something to do."

They Came, They Saw, They Were Astounded...

And so it was to such a farmer that the children from Bryansk Oblast came. Incidentally, the journey to Denmark itself was not easy—two sleepless nights in a row (one on the train, the other waiting for the aircraft at Sheremetyevo), and a six-hour trip by bus, including two-and-a-half hours on a steamship, where almost all the children were seasick. But all the unpleasantness was forgotten when we arrived at Dissing-Madsen's farm. They greeted the children at the entrance to the farm like old friends, embracing and kissing every one. And the

children immediately forgot about their mishaps on the journey. Then came the big surprise. Along with the children the farmer himself proceeded to hoist the state flags of our country and of Denmark up the flag staff in front of the house, in honor of the guests' arrival. But the surprises did not end there. While Ellen bustled about in the kitchen with the meal, Dan led the children to their rooms on the second floor of the large house. And when each of the children found a soft fluffy toy on his bed—little elephants and bears and all kinds of fantastical but surprisingly comforting creatures—the delight of the children knew no bounds.

Then began the round of meetings and trips and impressions. The children visited an amazing country—the Lego Park where one can see a Statue of Liberty, and Copenhagen harbor with the royal yacht [words illegible] various countries, and all of this done on a scale of 1:20 from the little cubes made by the world-famous Lego Company. Dan's friend Knud Baltersen (who, incidentally, had used his own money to rent a bus specially for this trip) told us that at one time there had also been models of Red Square and the Vasilii Blazhennyy church. The models disappeared several years ago, no one knows why. The children also visited the Rose Park (a botanical garden for children) and the Akvapark summer park, where they performed somersaults on the water runs. In the Rose Park the children saw with their own eyes the way in which the Danes, as they themselves say, "try to keep all of Denmark clean"—a two-year-old boy testily threw a cardboard container left on a path in the park into a waste bin. To judge from what Knud Baltersen told us, the environmental movement is very strong in Denmark, and has achieved a great deal. And Dan Dissing-Madsen told me that farm produce is specially monitored. If, for example, the nitrate content in produce exceeds the standard, farmers are threatened with very high fines.

Our children also got to see Danish schools, and this perhaps astonished them more than any pleasure trip. In one school in the little town of Resen our children were amazed by the openness and relaxed attitudes of the Danish school children. In Denmark they believe that a person is formed only when his desires and proclivities are not squeezed into some kind of rigid framework and he is liberated to engage in free quest. Russian language teachers from Danish gymnasiums all over Denmark and several gymnasium students who were studying Russian came especially to talk with the Soviet children at the school in Resen. The interest in this exchange was mutual; the questions and talk lasted for several hours; everything was discussed, from the catastrophe at Chernobyl to the content of textbooks, from tales of people's own cities to space flights. And it did not matter that the Danes spoke with an accent; the main thing was the desire to learn from and understand each other. And when the children from the Resen school came to call at

the Dissing-Madsen farm, they were already meeting with good friends. And one of our little girls, Marina Kozhevnikova, received an invitation to study for three months at the school in Resen, and she flew off to Denmark on 6 September.

Some of the children from the Bryansk area still telephone me to recall the enormous warmth of the Dissing-Madsen family and its ability to cope in any situation in life. Dan himself put it like this: "I was in a hospital a few years back. Something wrong with the cardiovascular system. The doctors told me at that time that I would be 85 percent disabled. Last year I went to the hospital again, this time with radiculitis. The doctors assessed me as 45 percent disabled. The result? I am 130 percent disabled, but I am not losing heart, and I am convinced that the best medicine for all illnesses is hard work and a belief in life." I would very much like our children from the Chernobyl zone to maintain that kind of optimism.

Spokesman on Azeri-Turkish Border Incident

91UF0171A Moscow TRUD in Russian 1 Nov 91 p 1

[Article by T. Kasumova: "The Alluring Turkish Border"]

[Text] As was already reported, on 29 October a large group of Nakhichevan residents tried to cross over to Turkey on the new bridge across the Araks River. We asked Col V. Galkin, spokesman for the Transcaucasus district of USSR Border Guards in Baku, to comment in more detail on the incident.

"That day," Vyacheslav Ivanovich related, "there was to be a solemn ceremony opening the bridge across the Araks. Since early morning the inhabitants from the whole district had been gathering on the Azeri-Turkish border. As it later turned out, the people had been attracted by rumors that a sale of Turkish goods had been organized in honor of the event."

However, the opening did not take place as the designated hour. At the request of the Turkish side it was postponed from 0900 to 1400 hours of the same day. Apparently, the people gathered there lacked the patience to wait for five hours, and at 1000 a crowd of thousands dashed across the bridge. Perhaps they decided that the bazaar was taking place on the other side.

Our border troops, in avoiding a confrontation, did not hinder them. However, on the opposite side they met a strong Turkish force. Acting politely but firmly, our neighbor's border service, strictly observing their own laws, compelled the uninvited guests to return.

Unfortunately, this did not occur without casualties. Two of the "crossers" fell from the bridge during the crush and drowned in the Araks.

Hungary Places Entry Restrictions on Soviets, East Europeans

92UF0069A Moscow IZVESTIYA in Russian 9 Oct 91
Union Edition p 6

[Article by F. Lukyanov, personal correspondent (Budapest): "Financial Barriers on the Border"]

[Text] **The trains arriving at Budapest's Eastern Station from the Soviet Union have been half-empty in the last few days. This is the result of the stricter entry requirements the Hungarian Government instituted last Friday for individuals entering the country on private business.**

On the very first day the new stricter entry requirements in Hungary went into effect, Hungarian customs officials ordered 159 completely unsuspecting passengers off the Soviet "Tissa" express at night on 4 October. They were told that in addition to the customary invitations, where the hosts usually have to certify that they will take full responsibility for all of their guests' expenses, they would also need a certain amount of foreign currency, based on a rate of 15 dollars or 1,500 forints for each day of their stay, to enter Hungary.

According to the conductors on our train, at least half of all the "Tissa" passengers became victims of this new procedure. The rest were unaffected because most of them were former Soviet citizens who were planning to reside permanently in Israel or individuals with official or diplomatic passports. Many of the Soviet tourists were ordered off the train by Hungarian customs officials not only because they lacked the currency, but also because they had forged invitations, which turned out to be xerox copies of the real forms. The few passengers who did have the currency but did not have Soviet bank receipts were taken off the train by Soviet customs officials.

In all, on the first day the new rules were in effect, the Hungarian officials turned back 3,000 foreign citizens, in addition to the 159 Soviet tourists, most of whom were from Romania (2,500), as well as 204 individuals from Poland and 51 from Bulgaria. Since that time, the number of persona non grata for financial reasons has risen to 15,000 (!) in just 3 days and is still rising. Several hundred Soviet citizens have already gathered at the Chop border stations, and now they have to find some way of getting back home with their broken dreams and their not particularly fond memories of the Hungarians' unexpected "hospitality." Officials in Chop, according to witnesses, are in no hurry to help the people who are in trouble, or perhaps they are not even able to offer them any help. The people are having great difficulty getting return tickets and accommodations.

Obviously, the Hungarian Government's actions came as a complete surprise to all neighboring countries, including ours, of course, and this is a fairly rare occurrence in diplomatic practice. When Yugoslavia took similar measures some time ago, for example, it announced them in advance so that no one would be

placed in a difficult position. Incidentally, Hungary issued a protest to Yugoslavia at that time against the restrictions, and they were soon rescinded for Hungary. Yugoslavia instituted only a 250-dollar quota per person for a month's stay in the country, but Hungary is now instituting a 450-dollar quota, although the price index in Yugoslavia is two or three times as high as in Hungary.

Judging by the first reactions, the stricter entry requirements have aroused vehement objections from neighboring countries. The Romanian Ministry of Foreign Affairs, for example, expressed regret at the Hungarian Government's unilateral actions, and Romanian customs inspectors at the Csengersima border station sent 80 Hungarian citizens back home because they did not have at least 2,500 lei or an international automobile insurance "green card." Judging by all indications, the Soviet Ministry of Foreign Affairs is still choosing the appropriate response to the Hungarian Government's categorical restrictions.

In an obvious attempt to tone down the reaction to the restrictions, the Hungarian Ministry of Foreign Affairs expressed bewilderment at the measures the country's Ministry of the Interior had taken, which had caught the Foreign Ministry off guard, as a result of which the Hungarian foreign policy establishment was unable to notify the embassies of neighboring countries in Budapest and the Hungarian embassies in those countries of the new requirements until Friday. Interior Ministry spokesmen said, however, that the measures had been discussed with the Ministry of Foreign Affairs and the Ministry of Finance long before they were instituted, and that all of them had time to make the necessary preparations. Furthermore, I cannot imagine that measures of this kind would be taken without the knowledge of the country's top officials, so any references to extemporaneous action by the Ministry of the Interior are out of the question.

Of course, the Hungarian Government's reason for doing this is understandable to some extent, because it is always complaining that liberal border regulations have brought thousands of indigent foreigners to Hungary. This has led to a higher crime rate. In spite of this, we could hardly agree with the manner in which these actions were taken. Furthermore, criminals are not the only ones who go to Hungary. Let us institute the stricter mutual verification of invitations and documents, and then there will probably be fewer of these elements. As for the "shopping trips" and the complaints that foreign citizens, including Soviet tourists, come to Hungary mainly to conduct petty transactions of their own in Budapest, we might remind the Hungarians that 5 or 10 years ago, when the stores in the USSR were not empty as they are today, Hungarian tourists leaving the USSR filled whole sleeping compartments with everything imaginable, from irons and drills to pumps and machine tools. No one placed any restrictions on them. Is this the right time for a "currency barrier," now that there is absolutely nothing to buy in the USSR?

Finally, what does all of this say about the validity of all of the talk about a united Europe, without any barriers or "iron curtains," and about the free movement of citizens? After all, it is unlikely that these measures will affect the people against whom they were supposedly aimed: Criminal elements will find some way of getting the necessary dollars, but the average Soviet citizen, whose own government will allow him to take 30 dollars into Hungary at best, will have just enough money to enter the country and immediately turn around and go home.

Independence of Hungarian TV, Radio Debated

92UF0150A Moscow IZVESTIYA in Russian 29 Oct 91
Union p 7

[Article by correspondent F. Lukyanov: "Emotions Are Getting Heated"]

[Text] Can Hungarian TV and radio be independent from the government and from the ruling coalition?

Now that nobody doubts our devotion to democracy, to liberalization and freedom of speech, to human rights and market economy, especially after the failure of the Moscow putsch, we can make the next step towards total replacement of the system. This is approximately how I. Konya, one of Hungarian parliamentary leaders whose treatise was made public and caused a stormy reaction by society, defines the goals of the ruling Christian Democratic coalition.

The point of the matter is that certain paragraphs of the treatise have been viewed as a direct attempt to restrict the independence of the "fourth estate" and to strengthen the control over mass media, over television and radio primarily. People who dishonored themselves under the previous regime and who were hostile towards the government coalition—this was the assessment given by I. Konya, with Bolshevik openness, to the leaders of independent newspapers, most of whom were elected by their own literary collectives.

According to I. Konya, the "fourth estate" has embarked on the policy of real moral terror against the government. For some reason, journalists lean more towards the program of the liberal opposition and they display absence of any "civilian courage." "Previously one had to have courage to speak against the ruling party and the government but now one needs it to support the government," thinks I. Konya. "After the disappearance of every basis for government dictatorship, there has come the dictatorship of the press and it is just as merciless as

the agitation and propaganda power used to be." All this draws to the following conclusion: The ruling coalition should reinforce its position and apply a selective approach in its dealings with the press (who should be given information and who should not be).

After that the author moves rather smoothly to the sensational plan "Yustitsiya" [Justice], the unrealized part of which deals, among other things, with legal responsibility for everyone mixed up in the sins and crimes of the communist regime.

The opposition has already said several times about the return to the "Yustitsiya" program that all people responsible for one or another political or economic mistake or, moreover, crimes should be identified. But a large scale investigation of everyone involved with the previous regime, in other words, hundreds of thousands of people, will necessarily turn into a "witch hunt" and will only intensify the social tension in the country.

Meanwhile, the scandal caused by the treatise has been gaining speed. All the opposition parties, together with A. Goncz, president of the country (representing liberal opposition), unanimously pronounced their negative opinion of the government attempts to gain gradual control over the mass media and carry out the "Yustitsiya" plan. The Hungarian radio chairman, an eminent political scientist, Cs. Gombar, qualified the attempts of the ruling coalition as flagrant interference. Dozens of journalists, writers, philosophers, directors, historians, and musicians who are well known all over the country issued their counterdeclaration "For the Defense of Democracy" through the influential club Glasnost. Another large group of public figures issued the democratic charter "What Hungarian Republic Do We Want?" The document says: "Democracy will come to Hungary only when the national radio and television stop their dependence on the government, on parties, and on local bodies of power..."

Meanwhile, a rather menacing rally took place by the building of the Hungarian radio, at the very place where tragic events had started in October of 1956. The rally demanded the resignation of Cs. Gombar. Under the crowd pressure the demand was aired. What happens next?

It is obvious that neither attacks on the mirror—the mass media, nor still another search for somebody to blame, nor exacerbation of the barren political struggle can raise the prestige of any of the parties. Nor can they help solve any of the numerous problems facing Hungarian society today.

Events of Fourth PCC Congress Scored

92UF0168A Moscow NEZAVISIMAYA GAZETA
in Russian 15 Oct 91 p 2

[Article by Leonid Velekhov: "Congress of Cuban Communists: The Last Time? Castro Improvised for Five Hours"]

[Text] Cuba—Even the greatest optimists did not expect much from the Cuban Communist Party's congress. However, they nevertheless expected something, even if only some small ideological indulgence or some non-cardinal concession in favor of the small private trader and peasant. The latter really seemed unavoidable: You see, the "bony hand of hunger" is squeezing—in the literal meaning of the word—the throats of the island's inhabitants who are being issued grain cards, not to mention meat ones, less and less frequently.

However, there weren't any. One of the last ruling communist parties in the world headed by one of the last dictators in the world proved its truly unprecedented—even for communists—ability to shut itself off from the demands of real life and close its eyes to the dramatic situation of its own people. For five days, 1,800 representatives of the highest military and civilian nomenklatura, diluted by a certain number of "special workers," discussed everything that it pleased—except the really urgent topics. Thus, for example, the question of whether it was worthwhile to permit believers to join the Communist Party occupied a central place. During this, no one got around to asking the believers themselves whether they wanted to join a party that had oppressed and persecuted them for 30 years—even on the eve of its historically inevitable defeat.

Another whole day—14 hours of a war of words—was devoted to the introduction of special and, let us say right out, minor changes in the procedure for electing deputies to local soviets. During this, they could not even introduce any changes. This shows the congress' general lack of readiness for any type of decision.

Another day passed discussing a no less burning question—abolishing the position of Communist Party candidate member. There will now be no candidates—only members. They killed another hot tropical day working on the concluding resolution that required a "struggle against the enemy's attempts to restore capitalism," stated "there is no alternative to socialism in Cuba," and called for "building friendly relations with countries that have remained faithful to the socialist alternative."

All these word games could only evoke a smile. In essence, however, it is not at all amusing. The VIP Cuban communists, who are leading the people of this once rich and abundant country into the pit of poverty and ruin, demonstrated nothing more than criminal irresponsibility during the few days they passed in the luxurious meeting hall, which was fanned with fresh air from Japanese air conditioners, of the Eredia Palace that was built especially for this congress. Fidel Castro Ruz,

the one-man commander of the military communist junta, went to the podium without having found the time to even prepare a report containing an analysis of the present very serious situation and some proposals for overcoming it. He engaged in a verbal improvisation on various subjects for five hours; an excursion into the Soviet Union's history and an extremely negative evaluation of the present process of the Soviet communist dictatorship's downfall, which is flowing from it, occupied the central place among them. The survey of a foreign country's history, which made Castro's presentation sound like a lecture on the international situation, nevertheless turned out to be lacking in value in the end: The Cuban dictator ascribed the Cuban economy's failure to the present Soviet crisis, thereby indirectly establishing the lack of the latter's own potentials and prospects. The absence in Castro's presentation of not only concepts and ideas but of even specific facts and figures reinforced the impression that it was a free improvisation. One of the few figures that sounded from the podium was the mention of "more than 100 new economic concepts existing among us (the Cuban leadership—L. V.)."

The congress did not produce a single serious decision. However, judging from everything, it signed a sentence upon itself and in the person of its Cuban communist regime.

During the last 48 hours alone of the congress' work, state security agencies seized 13 Cuban dissidents, who had organized protest actions against the Castro regime, in Santiago de Cuba and Havana.

Ecuadoran Envoy on Ties with USSR, Cooperation Prospects

92UF0202A Moscow LATINSKAYA AMERIKA
in Russian No 9, Sep 91 [Signed to press 20 Aug 91]
pp 3-8

[Interview with Pedro Antonio Saade, Ecuadoran Ambassador to the USSR, by V. Krestyaninov, under the rubric "Latin American Diplomatic Corps in Moscow"; July 1991, time and place not specified]

[Excerpts] [Krestyaninov] Mr. Ambassador, are you a diplomat by education?

[Saade] No, life itself made me a diplomat, as they say. All my international activities were related exclusively to political work: I was a member of the political commission of the Democratic Left Party [DLP]. It was precisely in that capacity that I represented the DLP at the Socialist International and at COPPPAL [Permanent Conference of Latin American Political Parties]. Several times I accompanied the country's president, Borja, during his visits abroad. At first as an assistant and then as public relations secretary. That is my entire experience in international work.

[Krestyaninov] What were the reasons you were appointed Extraordinary and Plenipotentiary Ambassador of Ecuador to the Soviet Union?

[Saade] Very good relations have developed between Ecuador and the Soviet Union. And the social democratic government of our country is striving to constantly improve them. So our president, taking into account my "Soviet experience" (I lived and studied in your country), decided that it would be easier for me than for anyone else to understand what was going on in the Soviet Union. That was his decision, although I believe that there are more knowledgeable people for this work.

[Krestyaninov] How long have you been in our country?

[Saade] I arrived here on 1 February of this year, but that was my eighth or ninth visit, I cannot say.

[Krestyaninov] How would you describe Soviet-Ecuadoran relations today? In the spheres of politics, economics, and culture, for example?

[Saade] We recently celebrated 45 years from the day diplomatic relations were established between our countries. Let us examine how they have changed over these years, in particular in those aspects which you mentioned. So, in the sphere of politics. No problems have arisen during these years. Our relations have developed and deepened every day, encompassing ever broader aspects of cooperation. Joint activities within the framework of the UN Security Council have contributed to that. So today I can define our interrelations in the field of politics as very good ones. Omitting foreign trade relations, I will immediately move on to cooperation in the field of culture. There are no major problems in this regard. We maintain closer contacts in certain areas and not so close ones in others. I think this is related, first, to our very large geographical distance from one another, and second, to those views and prejudices which have developed in Ecuador toward the Soviet Union as a result of particular features of historical development and the frequent changes in military dictatorship regimes. All this has prevented closer rapprochement of our countries in the field of culture. Although the number of Ecuadoran students studying in your country has steadily increased. There are now 810 of them. I cannot give the precise figures, but I know that several hundred specialists who graduated from Soviet VUZes are working in Ecuador.

[passage omitted]

There are other aspects where a clear trend toward further improvement of our contacts is felt. Treaties on cooperation between Soviet and Ecuadoran VUZes as well as treaties between scientific research centers have already been signed. The close contacts in realizing the Treaty on Investigation of Antarctica merit attention: representatives of Ecuadoran scientific expeditions and the recently created Antarctic station reached agreement with Soviet colleagues on a mutual exchange of information—our relations are developing very successfully in

this field. There are a number of projects involving the participation of USSR specialists in biological research on the Galapagos Islands, and so on.

To conclude our talk on cultural and scientific cooperation, I want to say that, despite the political and ideological prejudices which have hindered the development of our relations for a long period of time, fundamental positive changes have now occurred in the sphere.

Now for a few words about our trade relations. They used to be very limited. Until last year commodity exchange totaled only 8.1 million dollars. That is an extremely low indicator. Now the situation is changing. The traditional concept is breaking up, a concept which was perhaps effective for the conditions of the past and the start of our century and restricts trade interrelations to pure trade as such, that is, presupposes exclusively the purchase and sale of goods. At the present time a number of Ecuadoran firms exist which have formed joint Soviet-Ecuadoran ventures in very interesting and promising fields. I am thinking of ventures dealing with maritime shipping. There are joint ventures in petroleum extraction, and agreements on setting up joint ventures in the mining industry are also being prepared, but in this case on Ecuador's territory. In this way, I can say with certainty that trade interrelations have overcome the stage of rudimentary concepts and entered a new phase, a phase of active and intense development. I must confess that after arriving in the Soviet Union, I publicly announced that I considered one of the main tasks to be at least doubling our commodity exchange. It gives me pleasure to say that it has not only doubled, but increased many times over: it now totals several hundred million dollars.

[Krestyaninov] What, in your opinion, are the areas of the Soviet economy which are of the greatest interest to Ecuadoran entrepreneurs?

[Saade] Great prospects are now opening up. There are, it is true, a number of difficulties. For example, the inconvertibility of the ruble creates complications in banking affairs and financial activity in the USSR as a whole. Moreover, different forms and styles of management are making themselves known. However, the creation of a free enterprise zone in the USSR opens up opportunities for cooperation. And although there are as yet no direct contacts between private Ecuadoran firms and similar organizations in the USSR (up to now the Ecuadoran firms' partners have been state enterprises), I think that the latter's gradual transition to so-called "cost accounting" will provide a strong impetus for developing direct cooperation specifically between enterprises.

There is one other factor which in my opinion will become very significant (or at least I very much hope so)—the granting of more freedom to the republics. That will help resolve a whole number of difficulties: the Soviet market on the whole is too large for countries with a level of development like Ecuador's (our country's

population is less than 11 million people). But at the same time establishing close contacts with certain Soviet republics whose territories are approximately equal to the territory of Ecuador will encourage development of commodity exchange between them. So the paramount task today seems to be establishing precisely these contacts.

[Krestyaninov] What goods, in your opinion, can Ecuador supply to the Soviet Union and what output of Soviet production will enjoy the most demand in Ecuador?

[Saade] Ecuador's light industry meets the highest demands of the world market. An increase in high-quality textile and leather output, household articles, and ceramics is also observed, and they may become a very advantageous item of commodity exchange for both countries. Output of agriculture and the fish processing industry may also be included here. Moreover, Ecuador can supply tropical products which are lacking on the Soviet market. And, finally, the fact that both countries, naturally preserving appropriate proportions, are exporters of oil opens up broad opportunities on the level of cooperation in this area, and even up to this point it really has been quite active: both bilateral and trilateral relations have been developed. So I can say with complete confidence that there are prospects, and very significant ones.

We have already overcome the ideological prejudices and the process of normalization of political life in the USSR is a stabilizing feature which gives Ecuadoran entrepreneurs grounds for confidence in the promising outlook of our plans. On the other hand, stabilization of democracy in Ecuador should create that same confidence in Soviet entrepreneurs and encourage the development of long-term bilateral programs. The difficulties which now exist, in particular those of a financial nature, should be resolved in the near future, I think. The largest obstacle on this path is undoubtedly, as I already said, the inconvertibility of the ruble. So the formation of joint ventures opens up even broader possibilities for overcoming the situation which has become established.

[passage omitted]

[Krestyaninov] Are you well acquainted with the situation which has become established in the Soviet Union?

[Saade] I do not consider myself an expert on Soviet affairs, however I think that I know your country fairly well.

[Krestyaninov] In that case, how can you describe the present situation in the USSR.

[Saade] I am by nature an optimist. However, that does not mean that I do not see and do not understand all the complexity of the problems which have arisen and the tasks your country faces. But at the same time I see that there are healthy forces in the USSR which are capable of finding a solution to the crisis. I must note that the

present political problems are the result of a thousand-year history with no democratic traditions whatsoever. Today the situation is changing. Evidence of this is, first, the March referendum and, second, the elections for the president of Russia. Both these events showed that the level of political consciousness and political culture in the USSR is extremely high. And this process is developing at a very rapid rate.

I often hear from politicians here that the Soviet people do not have enough political sophistication. I do not share that opinion. It is better to say that there are no habits, but an important component of what we call political culture is an ideological worldview, and the level of the latter in your country is one of the highest on the planet. Another important aspect is the ability to understand causes and effects and the degree of probability in the life of society, and this ability is also fairly high. There is one more clearly expressed characteristic of political culture—understanding of the historical perspective. At times too much historicism has been evident in the USSR. Although, in my opinion, it is better to suffer from too much historicism than to fall into circumstantial pragmatism which in the end may result only in unprincipled empiricism. So I believe that the political culture of the Soviet people as well as the turbulent process of creating a civil society allow your country to realize enormous transformations both in the area of economics and in the legal and political structure of the state.

All this inspires optimism in me. There are problems, and they are very serious ones in economics and in politics; in turn they are creating difficulties of a moral and ethical nature, especially taking into account the depth and radical degree of the transformations being conducted. But even so, healthy forces acting in society allow me to be an optimist. I am certain that the problems will be resolved and they are already being resolved.

[Krestyaninov] By comparing the conditions of development of the Soviet Union and of the countries of Latin America, one can see that they have much in common. Most likely the experience which the Latin Americans have accumulated in resolving many problems can be used by us as well, is that not so?

[Saade] There are many interesting coincidences in history. For example, in the late 17th-early 18th centuries, two great empires, colonial Spain and semifeudal serfdom Russia, simultaneously entered into a crisis period. At the time Topac Amaru was waging a struggle for the rights of the Indian peoples in the central part of South America, Yemelyan Pugachev was fighting for the rights of the Russian peasants in the very center of Russia. Pugachev declared himself a tsar, and Topac Amaru did the same thing. The latter was publicly drawn and quartered, and the same death awaited Yemelyan Pugachev. Coincidences? Yes. The war of liberation of the American people for their rights under the leadership of Simon Bolivar and Jose de San Martin and the

uprising of the Russian Decembrists who tried to stir up the intelligentsia and the progressive forces of Russia to fight to overthrow autocracy also coincided in time. If these are all coincidences, how do you assess the fact that simultaneously our national poet Jose Joaquin de Olmedo wrote about Simon Bolivar and the great Pushkin created the image of Yemelyan Pugachev in the "Captain's Daughter"?

However, after a long period of historical coincidences, when the close friendship of one of the fathers of Latin America Don Francisco de Miranda and the Russian empress Catherine the Great was even possible, our paths diverged.

And only today have we again come together. Today, in my opinion, we are taking different paths but trying to achieve the very same goals in practice: high economic development and social justice and freedom for every member of society. That is essentially the realization of the great socialist ideals of all times and peoples. It is precisely the common search for the path into the future which makes us similar again.

In this connection, it has been possible recently to trace a clear trend in the social and political thinking of Soviet society, to compare the situation in the USSR with the situation in the countries of Latin America. And we Latin Americans welcome this trend. However, we must not go to extremes as sometimes happens. It gives us pleasure to note that a certain paternal condescension toward our countries has disappeared and we are treated as equals in studying our historical and political development and analyzing victories and defeats. We must not forget, however, that the raw data for this research are different. Above all we should remember that the Soviet Union has incomparably greater resources than the countries of Latin America. Their use, study, and application in the appropriate sectors is on a much larger scale than in our countries. Consequently, in speaking of the crisis in the Soviet Union, we do not mean a crisis of resources, but a crisis of the system of management which should be changed.

The situation in Latin America is taking shape differently. We lack our own infrastructure and we are extremely dependent on other states. That is the basic element when the research mentioned above is conducted. In addition to that is the enormous foreign debt, the burden of which the peoples of our countries bear. We call the 1980s the "lost decade," since it was precisely during that period that the plundering of the national wealth of the Latin American countries was so extreme that today's generation must restore it. In this way I want to emphasize that we should not go too far in comparing the Soviet Union and Latin America.

Undoubtedly we have much in common. For example, the degree of penetration of the state into the life of society. In my opinion, and the government of Ecuador takes the same stand, this problem is of a qualitative rather than a quantitative nature. The point is not to

mechanically determine whether enlargement of the state sector in social production is a positive or a negative feature but to accurately identify what kind of a state we want to have. In other words, in what areas of social and economic life of society may the state participate and in what spheres of the economy should it not interfere. This is very useful and interesting experience. I think that the process which unfortunately is called "privatization" in Latin America and "denationalization" in the Soviet Union essentially has other characteristics too. The very name should not and cannot limit all the diversity of conceptions of new forms of management and interrelations of the state and society in the country's economic life. This issue demands in-depth study and our searching for new approaches and forms of management able not only to ensure realization of the production process and growth in labor productivity but also to guarantee social justice in society as well as the freedom of its citizens.

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Lack of Foreign Currency Slows Joint Venture With Brazil

92UF0177A Moscow IZVESTIYA in Russian 2 Nov 91
Union Edition p 5

[M. Kozhukov report: "We Love Coffee. But Free..."]

[Text] Rio de Janeiro—Do you like coffee, dear reader? Instant, preferably granular, in the can with the red label? The ones that have appeared from time to time on the shelves or arrive with the orders?... If you do, then prepare yourself morally: It is a taste that you will have to forget. This is not my advice, but the advice of Gennadiy Trofimov, general director of the Plodimex du Brazil company—a man who is informed about things in this field and who has a direct relationship with the above-mentioned product.

"Plodimex is the first joint venture with Soviet capital not only in Brazil but the whole of Latin America. And in contrast to many others, it operates under conditions that are very favorable for our country—with a minimum share from the USSR in the startup capital. How did we entice the Brazilians? With an unbeatable trump that has been played many times—Stolichnaya. Our very own alcohol, imported from the Union and manufactured here, is exactly to the taste of South America also. Starting with seed capital of \$3,000, the joint venture has already brought \$3.5 million net profit to the Union, and in two years vodka exports have grown by a factor of five, to 150,000 cases a year. Trofimov is now a world monopolist for the production of Stolichnaya: His right to manufacture this brand outside the USSR was registered in accordance with all the rules of trading.

But the function of the joint venture is, so its director says, to trade the "green snake" more extensively. Its obligations include representing the interests of the country in the large foodstuffs market here. And

Kasiki—one of the world's largest coffee concerns—has become a shareholder in the joint venture. Its participation in the joint business was advantageous for both parties: In 1990 this company received an order to deliver 150 million cans of instant coffee to the USSR. And as is usual in world business, the order was met.

But in November of that same year we stopped paying for the coffee while continuing to use it to our satisfaction. This is not usual in world business.

Tedious litigation started. The Brazilians were frequent visitors to Moscow, and the embassies of the two countries dashed off dispatches addressed to the former premier V. Pavlov, but in vain: Moscow was firm as a rock. The situation, G. Trofimov, continues, was the more absurd because the purchases of the coffee were made on the basis of government instructions, not at all at the initiative of the joint venture. Although it was precisely this latter circumstance that, as it turned out, played a fatal role. The instructions given by the Ryzhkov government were explained privately to the director of Plodimex by officials in the Bank for Foreign Economic Relations. But where is that Ryzhkov now?

The general director recently again returned to Moscow, and with the same result. The ambassadors on both sides of the ocean are now writing to I. Silayev, and Trofimov himself haunts the threshold of the USSR State Committee for Purchases of Foodstuffs. And Kasiki has established a shift of its representatives in Moscow, who now come one after another to the capital in the hope of obtaining... no, not even the money any more. Perhaps a

bank guarantee, perhaps some goods, or even a promise of some kind; just do not remain silent—that is all they ask. But we remain silent...

Meanwhile, the interest payments on the debt of \$2 million that had to be paid to the Brazilians and their overseas agents have already "run up" to hundreds of thousands.

"Previously the Brazilian exporters considered deliveries to the USSR a special deal, a supercontract," says G. Trofimov. "But tomorrow they will start to avoid us like the plague; simply no one will do business with us. In such situations in Russia they used to shoot them, but we owe millions and it means nothing. Everyone seems to have forgotten that they have not paid for the coffee that they drank."

According to G. Trofimov, this year not one can of coffee has been sold by Brazil to the USSR. Nor by Colombia. Nor by Africa. True, a certain quantity is still coming from India, but in accordance with clearing arrangements, with which, as everyone knows, everything is also not smooth.

Moscow's reasons are understandable: Given our enormous foreign debt, which is counted in the billions, a few dozen million for coffee seem like a mere trifle, and in truth the money is not there. But if Moscow does not believe in tears, why should the Brazilians believe it. Their logic is even more understandable: Ryzhkov, Pavlov, Silayev—there is no difference. You drank the coffee, did you not? Then the money, if you please.

U.S. Shift on Kurils Called 'Perfidy'

PM1411094791 Moscow SOVETSKAYA ROSSIYA
in Russian 13 Nov 91 p 3

[Article by Doctor of Juridical Sciences A. Nikolayev, ambassador extraordinary and plenipotentiary and participant in the Great Patriotic War, under the rubric "Continuing the Discussion": "The Homeland's Threshold"]

[Excerpts] Several articles concerning the Kuril Islands—Iturup, Kunashir, Shikotan, and Khabomai, which belong to the Soviet Union—have appeared in our periodical press recently in connection with Japanese Foreign Minister Nakayama's visit to Moscow.

When you read articles of this kind, you get the impression that our leaders have already reached agreement with the Japanese leaders to sell the Kuril Islands to Japan and that it only remains to prepare public opinion for this. And it is now being prepared intensively both in Japan and in our country. Statements by Japanese figures are being disseminated to the effect that the Soviet Union supposedly occupied the said four islands illegally after World War II, that "with the victory of democracy in our country a good opportunity has presented itself to discuss sensibly the problem of the northern territories, to resolve it on the basis of the principles of legality and justice, and to conclude a Japanese-Soviet peace treaty" "without pressure on the victors and vanquished," that it is impossible to conclude a peace treaty without resolving the territorial question, and that it is impossible to develop in-depth cooperation between the two countries without a peace treaty...

Japanese figures—statesmen and public figures—insistently propose that Soviet representatives sit at the negotiating table and resolve the territorial problem on an equal footing, without any distinction between victors and vanquished. Let us forget Manchuria, they say, and Halhin Gol, and Pearl Harbor, and the entire second war, as though it never happened. You will agree that Japan is a humble, peace-loving country.

But it is hard to agree with this. We cannot remain in the position of forgetful Ivans. We should remember history, not ancient but recent history. And history attests that our people have committed no sins against the Japanese nation. Neither Russia at the start of the century nor the Soviet Union had any intention of attacking Japan, for they sought to establish peaceful, good-neighborly relations with it. It was Japan that pursued an aggressive policy in respect, first, of Russia and then of the Soviet Union and other countries. [passage omitted]

To substantiate their claims Japanese spokesmen cite the 1956 Joint Declaration and the readiness voiced by the Soviet Government to return two islands—Khabomai and Shikotan—to Japan after the conclusion of a peace treaty. I repeat: After the conclusion of a peace treaty. This was a so-called conditional obligation. But the peace treaty was not concluded, and this was the fault of

Japan, which at that time gave priority to the establishment of military cooperation with the United States and concluded with it a military pact directed against the Soviet Union. Consequently, the condition was not fulfilled. In precisely this situation it became impossible for the Soviet side to conclude a peace treaty with Japan, and the agreement to return the two islands to Japan lost its force.

But if you assess the Soviet side's act of readiness to return the two islands to Japan from the viewpoint of the interests of our state and of common sense, then it has to be admitted that this was one of Khrushchev's foreign policy "actions" which were undertaken by no means always in the interests of our state. [passage omitted]

By making territorial claims on the Soviet Union Japanese figures are trying to revise the results of World War II with regard to state borders. A groundless and risky venture. You do not have to be a prophet to foresee the dangerous international conflicts that could result from its realization. People in Japan should realize at last that World War II, which was unleashed on the initiative of German and Japanese aggressors, ended almost half a century ago, moreover in unconditional surrender by Germany and Japan, and that its results have been summed up and are not subject to revision.

I foresee the question that a peace treaty, which usually draws a line under the end of a war, has still not been concluded between the Soviet Union and Japan. True, but nor has the Soviet Union concluded a peace treaty with Germany. The chief thing has already been done: As long as 35 years ago the Soviet Union and Japan reached agreement and made a joint statement on ending the state of war and restoring diplomatic relations between them. Peaceful cooperation between the two countries began after that. Then why does the Japanese side continue to insist on the conclusion of a peace treaty? Because, in its opinion, the chief point in it must be territorial demarcation, in other words the return of the four Kuril Islands to Japan. This is the main aim of a peace treaty for the Japanese side!

It is characteristic to point out that in former times, with a strong center in the USSR, the Japanese did not dare to advance the demand for the return of the Kuril Islands, whereas now that they can see that our center has essentially become powerless and the Soviet Union has broken down into separate weak parts, they are making their demands on Soviet territory more insistently and even in an ultimatum-like manner.

U.S. President Bush and his administration are also putting certain pressure on our state's leadership, trying to get us to satisfy Japan's claims to the "northern territories." How is this? At the Crimea conference the United States agreed to transfer the Kuril Islands to the Soviet Union, but now it proposes returning them to Japan. The Russian word for this is perfidy.

It has to be said that this is having a certain impact on our country's leadership. The fact that, during the talks

with Japanese Prime Minister Toshiki Kaifu in April of this year, USSR President M.S. Gorbachev acknowledged the existence of a territorial problem in relations between the USSR and Japan and agreed to accelerate the completion of the preparation of a peace treaty, including the problem of territorial demarcation, in other words the question of ownership of the islands of Khabomai, Shikotan, Kunashir, and Iturup, was already a Soviet concession to Japan. We have already given the Japanese a finger, as the saying goes, and it seems that we intend subsequently to give them a hand, yielding to their ultimatum-like demands.

At the talks in Tokyo both the Japanese and the Soviet side spoke of the desirability of the speediest conclusion of a peace treaty and linked this with the need to raise relations between the two countries to a higher level and to develop constructive cooperation on a long-term and mutually advantageous basis. But, one wonders, is it really impossible to raise relations to a higher level and develop constructive cooperation between the Soviet Union and Japan without a peace treaty? For, as a result of the talks that were held, the Soviet and Japanese sides concluded 15 agreements on cooperation in various spheres: in the political, economic, trade, technical, cultural, and scientific spheres, in the sphere of the peaceful use of atomic energy, and in others.

If you add to these agreements those that were concluded earlier, it is possible to say that bilateral treaty-based cooperation embraces all the main spheres of Soviet-Japanese relations.

If you set aside Japan's intention to conclude a peace treaty with the Soviet Union just in order to secure the return of the four Kuril Islands, then there is no practical need for it in other respects. The USSR and Japan can develop cooperation in all spheres in a spirit of friendship and good-neighborliness even without a peace treaty.

It is clear from the press that the option of the Soviet Union's selling the four Kuril Islands to Japan for \$28 billion is being discussed in the course of Soviet-Japanese talks. I would like to say the following in this connection.

The sale of a state's own territory is a rare occurrence in international practice. It attests that things are bad in that state. A strong, healthy state does not engage in selling off its own lands.

I believe that now, when our state is lying in ruins, it is irresponsible to hold talks with Japan on the sale or leasing of the Kuril Islands to it.

Russian Transfer of Lesser Kurils to Japan Urged
92UF0166A Moscow NEZAVISIMAYA GAZETA
in Russian 24 Oct 91 p 2

[Article by Igor Tyshetskiy, political scientist: "The Complicated Fate of the Southern Kurils or What One Should Know Before Entering Into a Discussion"]

[Excerpts] The RSFSR Supreme Soviet has begun a discussion of the Kuril Islands problem. Various points of view, including the statement that the four disputed islands in the Kuril chain have historically belonged to Russia, are being expressed in connection with this. We are conducting an historical and diplomatic inquiry.

[Passage omitted] Generally speaking, the territorial claims of Russia and Japan to the Kurils appeared at the end of the 18th and beginning of the 19th centuries. The Russian-American Company's economic activity basically did not go beyond the limits of Urup Island whereas the economic activity of Japan mainly extended to Kunashir Island. Historically, the territorial demarcation between Russia and Japan on the Kurils occurred in the area of Iturup Island. This was subsequently fixed in the first state treaty between the two countries—the 1855 Simodskiy Treaty. The Russian Ministry of Foreign Affairs instructions told Ye. Putyatin, who signed this treaty, that the "southernmost Kuril island belonging to Russia is Urup Island to which we should limit ourselves, having designated it the last point of Russian possessions."

The "from time immemorial Russian"—according to our "patriots" statements—islands came under Russian or, more accurately, Soviet sovereignty for the first time only after the Second World War, and today Japan is actually demanding that our country restore the historical 1855 boundary on the Kurils, that is, return to it only those lands that had never been included in any state, except the Japanese one, before 1945.

This short excursion into the remote history of the border demarcation on the Kurils could have been completely avoided if our "patriots" had not undertaken a direct falsification in order to affect the Russian people's national feelings—especially since today history can only serve as an emotional background for the present territorial disagreement. The primacy of international legal norms and principles and of the different agreements that affect this question is evident. Only jurists will have to give an objective and unbiased evaluation of the situation that has taken shape; politicians must make a decision on the basis of this. There is no other way out today. Otherwise, what would happen to the majority of today's borders if someone took it into his head to review them from an "historical" point of view?

In 1960, Japan signed a new security treaty with the United States and, in order to "punish" it for this, the Soviet Union decided to annul the obligation of returning Khaboma Island and the Shikotan Islands to Japan, which had been assumed previously in accordance with the joint 1956 declaration. This declaration provided that this be done after the signing of a peace treaty between the USSR and Japan.

At the time, Japan had not broken any obligations and the situation had not "radically" changed in 1960, as the

Soviet government insisted, to legally justify its statement. For those who are poorly acquainted with the history and have not read the text of the 1956 declaration, I will explain: The Japanese-American security treaty of 1960 did not come into existence on a blank space but replaced a security pact that had existed since 1951 between these two countries and whose orientation had never evoked doubts. Japan had never provided any one with any obligations to cancel the military alliance with the United States—and there was no talk of this. Moreover, the 1956 declaration directly stipulated that “each of the states has the right to individual or collective self-defense.” That is why references to Japan’s breaking of obligations or to the principle of “radical change of circumstances” do not have any basis both at that time and today.

One of the basic principles in international law says that “treaties should be observed.” Centuries-old wisdom is contained in this. If each new leader begins to change the treaty obligations of his predecessors at his own discretion and without the conditions stipulated for this by international law, what will become of international relations and of all of us in general?! It is accepted throughout the world that diplomacy should originate from the obligations adopted by a state. That is why it is, at the very least, strange to read the statement of V. Fedorov, who doubted the “moral right” of an individual, who considers that treaties should be observed in a law-governed state, to occupy the post of deputy minister of foreign affairs. Rather, the question can be stated in the reverse: Does an individual, who openly calls for the law not to be taken into consideration, have a moral right to represent any authority?

Today, a number of politicians think that Russia should not be responsible for the obligations of the former USSR or should be responsible for them selectively. There is nothing fundamentally new in this position—this is exactly how the Bolsheviks treated the obligations of their predecessors. As is known, Soviet Russia was isolated internationally after this and the process of its recognition dragged on for many years. Subsequently, the Bolsheviks had to return to a number of the obligations that they had so eagerly abrogated, and it will even be necessary to encounter some again in the future. Is it worthwhile to repeat a sad experience? Or does history really teach us nothing? You see, it is quite clear that, in the case of the 1956 declaration, Russia is the only and undoubted legal successor to the former USSR. Otherwise, what trust of the world community can one talk about in general?

Evidently, it will nevertheless be necessary to review the existing Soviet-Japanese border in the Kurils sooner or later. Our country cannot go back on its word without defying the basic principles of international law when doing this. The controversy can be waged only around the time frames and techniques for transferring the islands in the Lesser Kuril chain to Japan and not at all about the transfer itself. It is known, for example, that N.

Khrushchev mentioned in an ASAHI newspaper interview the possibility of transferring the mentioned islands to Japan without waiting for the signing of a peace treaty. Nevertheless, this statement did not bind anyone to anything because it only reflected the Soviet premiers’ personal opinion.

The 1956 declaration probably does not please many people. However, it is a document that fixed our obligations regarding Japan. One can criticize it but it is impossible to change it unilaterally without sufficient legal bases for doing this.

Life, however, does not come to an end with this. Negotiations are continuing with Japan. The Japanese side has its own arguments, and the Russians—theirs. It is necessary to think about how these negotiations should be conducted next and how a mutually acceptable compromise should be achieved which is based on international law and which is responsive as much as possible to Russia’s interests. One can in no way forget the interests of the people for whom the Southern Kurils have become a small motherland during the postwar years. This and other questions will undoubtedly be on the agenda of the negotiations. In any event, the atmosphere around them should be business-like without amateurishness and nationalistic fumes.

Generally speaking, political courage and wisdom are demanded not only of politicians but also of society in general. The courage to look honestly and unbiasedly at the path, which the two countries have jointly traveled, and to understand how relations between the great neighboring powers have essentially been “hostages” of a single territorial problem that is a small one on a world scale. Without understanding this, we will not be able to move forward. Wisdom in order to arrive together—after having examined this phenomenon—at solutions which are responsive in the long-term to the national interests of both Russia and Japan.

The Soviet Union, which refused for many years to talk with Japan on the territorial subject in general, has changed its position during recent years. Both parties, although agonizingly slow and with difficulty, have nevertheless moved to meet each other. President Gorbachev’s visit to Japan in April of this year was successful on the whole and contributed to the parties’ mutual understanding. One can say that the USSR and Japan have approached in real earnest the solution of this very complicated and delicate problem in bilateral relations. From an individual point of view, it would be a great pity and politically shortsighted if Russia decides to travel again the path already traveled by the Union.

Lack of Press Information on Kurils Negotiations Decried

92UF0167A Moscow PRAVDA in Russian 23 Oct 91
p 5

[Article by correspondent I. Latyshev: “Reasons for Tokyo’s Rejoicing; The Moscow Negotiations in the Mirror of the Japanese and Soviet Press”]

[Text] Tokyo, 22 October—The official reports, as also certain commentaries, on the recent meetings of Japanese Foreign Minister T. Nakayama with the top leaders of the Soviet Union and the RSFSR which have been published in our press do not, unfortunately, provide a clear idea of the progress and results of the Soviet-Japanese negotiations. Spokesmen for the USSR Foreign Ministry and the RSFSR Foreign Ministry who briefed the press on this issue were very stingy in their use of words.

Also terse and not all that clear were our press' reports on T. Nakayama's talks with USSR President M. Gorbachev and Russian President B. Yeltsin. They did not, in any event, throw any light on the Soviet position in respect to the Japanese territorial claims. What is the explanation for this? Have both parties agreed, perhaps, to keep the progress of their negotiations secret? And if so, from whom? After all, there is nothing for the Japanese public to complain about here. Competing with one another in speed and comprehensiveness, Japanese newspapers and television companies provided the local community from day to day with detailed accounts of the progress of each of Nakayama's discussions with the Soviet leaders.

Regular news "leaks" were used by Japanese diplomats on the one hand to kindle public interest in the talks which Nakayama conducted in Moscow and, on the other, afforded the Japanese media an opportunity to foist their interpretation and their evaluations of the progress of the negotiations on the international community.

It is difficult within the framework of this contribution to provide a summary roundup of the incalculable number of reports by Japanese newspapers on Nakayama's visit to Moscow and of the evaluations of the results of the negotiations. I shall confine myself, therefore, to a mention merely of certain statements of the minister himself and individual opinions of Japanese correspondents and observers pertaining primarily to the territorial dispute, the course of which is today being alertly followed not only by the Japanese but also the inhabitants of the Kurils, and the citizens of the whole of Russia also.

The principal feature of the evaluations currently being made of the results of the Moscow negotiations by government circles and the press of Japan is the optimistic tone and the glowing hopes for the immediate future. Such a mood is evoked primarily by the personal impressions of Nakayama himself. Here, for example, is the summation which he made at a news conference in Moscow in connection with his talks with USSR President M. Gorbachev and RSFSR President B. Yeltsin: "Both Soviet leaders displayed a positive approach to the speediest solution of the territorial question, which is the main obstacle in the way of the signing of a peace treaty by the two countries." Japanese newspapers have quoted with particular significance words which B.

Yeltsin allegedly spoke in the talks with Nakayama: "I am for an acceleration of the process of a solution of the territorial question."

Many newspapers have also called attention to the fact that in the course of Nakayama's talks with statesmen of our country responsible for foreign policy virtually all his partners preferred when touching on the reasons for the present delay over a solution of the two countries' territorial dispute to refer to some "obstacles" beyond their control. They discerned as the main one on this occasion, as the Japanese press reports make clear, not so much the illegitimate Japanese demands as the negative attitude toward these demands of our country's public opinion. If we believe the Japanese newspapers, it was this thought which was emphasized in their talks with Nakayama by USSR President M. Gorbachev and R. Khasbulatov, acting chairman of the RSFSR Supreme Soviet, and also B. Pankin and A. Kozyrev, foreign ministers of the USSR and the RSFSR.

There is something else that is notable also. If we believe Japanese press reports, it transpires that virtually all Nakayama's partners here expressed their personal attitude both toward the Japanese territorial claims and the processes which these claims are evoking among the inhabitants of Russia. At the same time, however, some of the statements of Soviet leaders quoted by the local papers manifested, as Tokyo observers are noting with satisfaction, a readiness even to influence our country's public opinion for the purpose of gradually disposing it in favor of acceptance of the Japanese territorial demands. An example of this is the ASAHI report on the talks between T. Nakayama and M. Gorbachev, which says: "Noting the Soviet public's negative attitude toward a return of the islands, Gorbachev added: 'It is essential to change public opinion in a favorable direction. And I am far from being pessimistic here either.'"

But the readiness to unite the efforts of Soviet and Japanese politicians and diplomats for the purpose of jointly influencing Soviet public opinion and disposing it in favor of the abandonment of an intractable attitude toward the Japanese territorial demands was displayed particularly clearly in RSFSR Foreign Minister A. Kozyrev's talks with the Japanese guest. This, for example, is what Nobuo Asaumi, correspondent of YOMIURI, writes: "During the negotiations Kozyrev emphasized the Soviet side's intention to accelerate the dialogue on the problem of the northern territories. He also made it understood that both Japan and the Soviet Union should try to influence the public opinion of the Russian Republic, which is opposed to a return of the islands to Japan."

Tokyo commentators are also finding confirmation of their assumptions concerning the appearance in Soviet diplomats of a readiness to accommodate the Japanese claims in the organizational decisions to which the leadership of the foreign ministries of the USSR and the RSFSR assented as a result of the negotiations. Thus, in particular, the Japanese press has noted with satisfaction

the agreement reached as a result of Nakayama's visit to Moscow on the creation within the framework of the working group for preparation of a Soviet-Japanese peace treaty of a special subgroup intended to study just one question—discussion of the future of the four South Kuril islands. Particular satisfaction was expressed by the Japanese press here in connection with the fact that this subgroup will be headed on the Soviet side by G. Kunadze, deputy RSFSR foreign minister—that same diplomat whose recent attempts to dispose the inhabitants of the Kurils in favor of assent to the transfer to Japan of the islands of Habomai and Shikotan led to an explosion of anger and strengthened the protest movement on the islands. Citing the opinion of Foreign Ministry spokesmen, the newspaper JAPAN TIMES recently wrote the following: "The Japanese participants in the negotiations were overjoyed by the appointment of Kunadze for it is he whom they regard as the person more inclined than others to agree to the return of the islands to Japan."

Glowing hopes for the speediest solution of the territorial dispute with the Soviet Union in favor of Japan are linked by local commentators, in particular, with B. Yeltsin's anticipated visit to Japan. Inviting him to pay a visit in 1992, Nakayama expressed the hope here that a "breakthrough" in the solution of the two countries' territorial dispute would be achieved in the course of this trip.

Such are some of the reports on the negotiations in Moscow which have been published in the Japanese press in recent days—reports which, probably, the Soviet public should know about also. After all, the negotiations of the two countries on questions concerning the fate of almost 30,000 inhabitants of the Kuril Islands is more than just the concern of Foreign Ministry officials. It is the concern of the citizens of the whole of Russia, and these negotiations should be conducted, therefore, under conditions of maximum openness. No less openness, in any event, than that being demonstrated by the Japanese side. And it does not become us to make good the lack of information on this issue in our press with extracts from Japanese papers. It would be better for the supporters of concessions to the Japanese territorial demands, if there really are such in the USSR Foreign Ministry and the RSFSR Foreign Ministry, and not only in the imagination of the Japanese, to openly inform our public of their views on this matter. It is time, finally, that we all understood that the times of secret diplomacy and secret agreements have become a thing of the past.

Results of Kim Il-song Visit to PRC Assessed

*92UF0180A Moscow NEZAVISIMAYA GAZETA
in Russian 19 Oct 91 p 4*

[Article by Vasilii Golovnin: "Beijing Not Pyongyang's Ally? During His Visit to China Kim Il-song Achieved Nothing"]

[Text] Tokyo—The actions of great leaders are always on the grand scale, and Chairman Kim Il-song's trip to

China in the first half of October was no exception. The visit by the North Korean leader to the PRC was distinguished by its duration, rare in international practice—lasting a whole 10 days. In this time the personal armored train of the invincible marshal made an unhurried journey first to Beijing and then around two of the most developed Chinese provinces.

The opulent reception was sustained in the traditions of socialist fraternity with which we are very familiar: In the PRC capital, for example, Kim Il-song was greeted at the station by all members of the Chinese Communist Party [CPC] Central Committee Politburo Standing Committee and all deputy premiers of the PRC State Council. Extending news programs, Chinese television described in detail the joy felt by the country's workers at meeting an old friend. Foreign observers, meanwhile, exercised their skill in reading between the lines and finding secret meaning in the alignment of figures in the ceremonial photographs, inasmuch as RENMIN RIBAO mainly reported merely the fact that the main purpose of the visit, of course, was "an even greater strengthening of the traditional friendship between the two parties and two states."

Seemingly, all this should have pointed to the monolithic unity of the two countries now constituting the nucleus of the "world socialist camp," which has been reduced sharply since the August collapse of the CPSU. But during the visit the Chinese leaders once again demonstrated their skill in cold political pragmatism, expertly canceling out the entire opulence of Chairman Kim's journey with just one short sentence uttered by Jiang Zemin, general secretary of the CPC Central Committee. "Yes, we are bound by firm ties, but China and Korea are not allies," he said meaningfully at a meeting with Japanese representatives, knowing full well that these words would immediately be transmitted to the West.

Of course, Beijing is currently far from overjoyed at the development of events in the Soviet Union and is worried that since the August events it has come to be in considerable ideological isolation. But the Chinese leaders are too smart even in such a situation to put undue emphasis on the Kim Il-song regime, which is 100 percent communist, but, alas, too inert and, to put it mildly, unpopular in the world.

As diplomatic sources report, during the negotiations behind closed doors the North Korean leader did not in fact achieve a single one of his aims. He wanted, for example, to obtain from his Chinese friends support which might help him ward off the intensifying pressure from the West in demanding that Pyongyang consent to inspections of its nuclear facilities, where, according to much information, nuclear weapons are being secretly developed. Kim Il-song declared at the negotiations that he would admit International Atomic Energy Agency (IAEA) experts only if American nuclear weapons were withdrawn from South Korea and if it also were a target

of similar inspections. But in response the Chinese, according to some information, remained silent, and according to other information, they made it understood that they would advise the DPRK not to be obstinate and to agree to an IAEA inspection. Beijing is clearly unwilling to tie its hands by supporting the suspicious nuclear programs of its North Korean partner inasmuch as this could merely complicate relations with the United States and would not accord at all with the PRC's recent decision to subscribe to the Nuclear Nonproliferation Treaty.

According to the information of Western circles, the Chinese reacted even more sharply to the Pyongyang marshal's demand for a "more cautious approach" to the development of relations with Seoul. Kim Il-song, it is reported, was told that this was an internal matter of the PRC, which is now consistently developing extremely profitable economic relations with South Korea, although it is in no hurry to establish diplomatic relations.

The Chinese also turned down Kim Il-song's paternal request for recognition of the legitimacy of the gradual transfer of supreme authority in the DPRK to his son Kim Chong-il, secretary of the Workers Party Central Committee. It is rumored, incidentally, that the tedious duration of the marshal's visit to the PRC was to have shown the world that the heir of the present Pyongyang sovereign had already learned to lead the building of "socialism of the Korean type" alone. Nonetheless, the greatest affront awaited the North Korean leader during the economic negotiations with Li Peng, premier of the PRC State Council.

According to sources, Kim Il-song began the discussion with an expansive account of his far-reaching plan for building hydro-electric power stations, transparently hinting that he hoped for international assistance in socialist industrialization. But in response Li Peng spoke in the spirit of the classical statement that "oats have now risen in price," pointing to the tightness of financial circumstances in China in light of the recent devastating floods and excessive population growth. Simultaneously the PRC is now insistently seeking to transfer trade with North Korea to a dollar footing, which experts believe could only reduce bilateral commodity turnover. And as a piece of free advice it was recommended that Kim Il-song would do better to study the successful Chinese economic experience, specifically, the achievements in the creation of free zones with the participation of foreign capital.

Essentially, Beijing made it understood in the course of the visit that it very much values the ideological proximity with Pyongyang and greatly respects the great marshal personally, but does not intend for the sake of this to forgo its political or economic interests. To judge by everything, the era of earning money under the banner of proletarian internationalism has come to an end even in the orthodox communist East.

'Positive' Effects of New Vietnamese-ASEAN Cooperation Viewed

92UF0194A Moscow PRAVDA in Russian 7 Nov 91 p 4

[Article by P. Tsvetov, correspondent: "The Barriers Have Been Removed"]

[Text] It seems that Vietnam would have all the conditions for particular good-neighborly relations with the ASEAN [Association of Southeast Asian Nations] countries (Indonesia, Malaysia, Singapore, Thailand, the Philippines, and Brunei), inasmuch as they are so close to one another. For example, 40 percent of the items in Vietnam's markets are specifically from these countries. Peoples speaking languages of the Indonesian and Thai families live on Vietnam's territory. A great deal could also be written about their common historical and cultural traits.

But the events of the 1960's through the 1980's erected a "Berlin Wall" between the states of Southeast Asia and Vietnam. During the years of the American aggression the ASEAN countries were on the side of the United States. Some of this organizations's member-countries were even drawn directly into this "adventure." When the Cambodian problem arose at the end of the 1970's, the ASEAN countries sided with the opposition forces headed by Sihanouk. As we know, Vietnam rendered strong support to the Phnom Penh government.

But the world is changing, and positive processes cannot help affecting the Asian-Pacific region. After last week's visit by Vo Van Kiet, president of the Socialist Republic of Vietnam's Council of Ministers, to Indonesia, Thailand, and Singapore it can be said that the barriers have been removed on the path of developing good-neighborliness and cooperation between Vietnam and the ASEAN countries.

The speeches delivered by the leaders of these countries and the documents signed by them emphasized that the parties involved are filled with determination to forget the past. Based on observing a balance of interests, they intend to resolve disputed issues (for example, border issues) and to turn Southeast Asia into a region of peace, stability, and prosperity.

The Vietnamese leader expressed the desire that his country might become closer to the ASEAN as an organization. For the time being, it is not a matter of joining this association of trade, economic, and sociopolitical cooperation. But there was a declaration concerning the decision of the SRV [Socialist Republic of Vietnam] to become a party to the treaty signed by the ASEAN countries in Bali in February 1976. This treaty obligates its signatories to respect the independence, sovereignty, equality, and territorial integrity of this region's other countries, as well as to refrain from using force to resolve disputed issues.

It is symptomatic that the participants in these talks and negotiations, when discussing global problems, single out

particularly the role to be played by the UN, noting the necessity of transforming that organization into the chief instrument for solving world problems and the center of a new international order.

The peaceloving tone used in discussing foreign-policy topics was accompanied by the solution of economic problems in a specific, businesslike spirit. Agreements were signed with Indonesia and Thailand on making capital investments in the Vietnamese economy, an action which will facilitate the influx of capital from the Southeast Asian countries into the Vietnamese market. These agreements will also provide for stable and more extensive trade and economic ties between the SRV and the ASEAN member-countries.

The following question is a legitimate one: What do we care about Vietnam's relations with the countries of Southeast Asia? In fact, the success of Vo Van Kiet's trip is also of positive importance to us. In the first place, establishing an atmosphere of good-neighborliness in that part of the Asian-Pacific region to which our own Far East belongs facilitates our security as well. In the second place, the assistance which Vietnam's neighbors are rendering to its economy will remove from us a certain portion of the moral burden which came into being after we curtailed several joint projects. In certain areas, I am sure than cooperation with the ASEAN countries will be even more effective than with us.

Pankin Sums Up After 'Difficult Day' in Madrid*PM0811162191 Moscow IZVESTIYA in Russian
2 Nov 91 Moscow Edition p 3*

[Special correspondents V. Vernikov and A. Ostalskiy report: "The First Stage of the Madrid Conference Is Over. Will There Be a Sequel?"]

[Text] Madrid—On Friday at 1250 Madrid time B. Pankin struck the chairman's gavel against the table in the Oriente Palace. "I declare the plenary session closed," he said. The conference participants were already on the point of getting up from the table when Syrian Foreign Minister F. Al-Shar' suddenly began speaking again: The conference is not over, it has only been suspended, and can be resumed at any time with the agreement of the sides. "But that is what I meant: I said that the plenary session is closed," the Soviet minister replied.

That the last day of the first stage of the Madrid conference should conclude with this short exchange is symbolic. All the subsequent [as published] hours of the conference's work took place under the sign of far more serious disagreements, contradictions, and misunderstandings. The situation developed extremely dramatically. The conference actually had to suspend work after the first two speeches for just over two hours. For a long time the whereabouts of State Secretary J. Baker and our own B. Pankin, and also the Syrian foreign minister could not be established. Finally, journalists learned that serious diplomatic work was going on in a remote room of the legendary palace: The representatives of the great powers were again playing the role of intermediaries, persuading the Syrians to exchange anger for love and agree to hold bilateral talks in Madrid.

The day before, the Israelis had opposed this idea, and in his supplementary speech on Friday morning Prime Minister Yitzhaq Shamir again affirmed his call to hold such talks directly in the Near East. But, according to reports from informed sources, Baker managed to persuade the Israelis late that evening. Now the Syrians were having doubts. Speaking at the end of the session, Baker acknowledged that the sides had been unable to reach an agreement on the venue for the bilateral talks right until the present moment, but "the viewpoint of the cochairmen is that direct bilateral talks should begin in Madrid as soon as possible."

It was the Israeli prime minister who set the tone and rhythm of this difficult day. Having started by saying that he was not speaking "for the sake of a polemic," he nevertheless criticized his Arab partners, and Syria above all, in an extremely emotional manner. He called the ruling regime in that country "one of the most repressive, terroristic regimes in the world." F. Shar' did not fail to strike a retaliatory blow, at the same time switching to "personalities," as the saying goes. He called the Israeli prime minister a terrorist, meanwhile displaying a poster announcing a police hunt for Shamir

from the times of the British Mandate in Palestine. "He was a terrorist. He killed those who held peace talks," the Syrian minister said.

Other speeches at the plenary session were also hard-hitting and hostile—except for those of the cochairmen, of course.

Summing up, B. Pankin stressed in his speech the need to search for decisions acceptable to everyone on the basis of the "Land For Peace" formula. This refers to the West Bank, the Gaza Strip, and the Golan Heights.

"But if the second phase of the talks does actually begin, how will the cochairmen carry out their functions?" we asked B. Pankin later at the press conference.

"When they begin, I think that the personal presence of State Secretary J. Baker and the Soviet foreign minister will not be de rigueur. We will be somewhere nearby. If the sides want to see us at the negotiating table, they will invite us. And we are prepared to go there together or separately."

At the time we are filing this report, it is still unclear whether agreement has been reached on the specific venue of the second phase of the talks. But an encouraging sign is the fact that the Syrian foreign minister stated at the press conference that Syria is sticking to its position: Having agreed to hold the conference in Madrid, Syria is ready to continue bilateral talks in Spain as well.

'Land for Peace' Concept, Other Territorial Options Examined*92UF0193A Moscow PRAVDA in Russian 6 Nov 91 p 4*

[Report by PRAVDA correspondent V. Belyakov: "Arguments of Concrete"]

[Text] Cairo—*The Near East peace conference in Madrid has entered its second phase. Its participants have separated into bilateral committees. Negotiations on the essence of questions of a settlement have commenced. That the "peace for land" concept should be made the basis of a settlement was heard clearly in the speeches of the Arab delegation heads at the first stage of the conference.*

But quite a complex problem arises here: The Arab land captured by Israel has been very actively developed by the occupiers. With the assumption of office in Israel in 1977 by the Likud bloc of the right, to which present Premier Y. Shamir belongs, the colonization of Arab land acquired the features of official policy. For example, the number of Jewish settlements has more than doubled on the West Bank of the Jordan since that time.

For the Likud the occupied West Bank does not exist, it is liberated Judea and Samaria. The right of the Jews to freely settle on this land is bolstered by arguments not only from the biblical *Old Testament* but from solid

concrete also—in the form of new settlements by the colonists. The government is pursuing a clearly expressed policy of encouraging colonization here. It consists of pricing housing on the West Bank considerably lower than that in Israel proper, and making land available for development free of charge.

As of the present the situation concerning the assimilation of Arab land appears as follows. Most Jews, approximately 150,000, have settled in the newly completed suburbs of East (Arab) Jerusalem, half encircling it. Approximately 5,000 Jewish settlers each have settled in the Palestinian Gaza Strip and on Syria's Golan Heights. If Israel returned this land to its rightful owners, evacuating the colonists would constitute no great difficulty.

On the Palestinian West Bank, on the other hand, the number of Jewish settlers has reached 100,000. It is there that the question of whether the "peace for land" principle is feasible will be decided. And, together with it, another, no less important question: whether the Palestinians' dream of their own statehood is tenable. Some Western experts are quite pessimistic in this respect. In the opinion of the American NEWSWEEK, the line beyond which the return of the West Bank becomes impossible has already, evidently, been crossed.

Now is the right time to recall how the fate of the Jewish settlements in the Sinai was decided at the time of the signing of the Egyptian-Israeli peace treaty. Israel adopted a political decision at that time—to liquidate these settlements—and has abided by it scrupulously, despite the clamorous protests of the colonists and their supporters.

Nor, for that matter, were the colonists thrown from the settlements in Sinai directly out onto the street. Each of them, and there were no fewer than 7,000 settlers, was paid compensation on the order of \$50,000 to get fixed up in a new location. The operation was financed by the guarantor of the peace treaty, the United States. In the opinion of that same NEWSWEEK, the resettlement of colonists from the West Bank would cost at least \$35 billion. It is highly doubtful, the journal believes, that the United States would agree to such an expenditure.

But who said that all Israeli settlements on the West Bank need to be liquidated and all the inhabitants evacuated? Khalid al-Hasan, a very close associate of 'Arafat, believes, for example, that a mutually acceptable solution of the problem would be the creation of a Jordanian-Palestinian-Israeli confederation. Given such a solution, the need for the liquidation of the Israeli settlements on the Palestinian West Bank would essentially disappear.

Other versions not involving a total evacuation of the settlers are possible also, it would seem. After all, some 600,000 Palestinian Arabs live in Israel and are citizens of it! Many millions of Palestinians from the West Bank would not, I believe, object to there being a Jewish minority among the citizens of an independent state of Palestine.

The Egyptian-Israeli peace treaty was a purely American initiative. For this reason Washington had to pay for it itself. Today, when it is a question of an all-embracing settlement of the conflict, in which the wealthy monarchies of the Persian Gulf zone have an interest, paying the bills would be far easier.

So there are versions, albeit complex, of a solution for the settlements problem. Are as yet, I would add. For Israeli colonization continues, despite the "peace process." And this is merely exacerbating the problem and making its solution even more difficult.

Press Conference Report on Israeli Industrialists' Visit

92UF0176A Moscow TRUD in Russian 5 Nov 91 p 3

[Article by N. Yegorycheva: "The Turn of Businessmen Has Come. The Israeli Association of Industrialists Establishes Contacts With Soviet Partners"]

[Text] This delegation, which arrived on the invitation of the USSR Union of Science and Industry, had one objective—to start new businesslike relations between our country and Israel and to establish specific economic and commercial cooperation. It was no accident that the most representative, key leaders of financial and industrial circles and scientists ended up as members of the delegation.

At a press conference for Soviet and foreign journalists, Mr. Dov Lautman [as transliterated], head of the delegation and chairman of the Israeli Association of Industrialists, said:

"We have come up with very interesting ideas regarding ways to proceed in the future and how to translate existing opportunities into business cooperation. A period of transition is very difficult both for you and for foreign businessmen who intend to work in your country.

"There are problems involving prices, material and technical supplies, and infrastructure. However, we, the businessmen, should not sit on our hands and wait. We should be looking for the niches in which we may begin cooperation in order to expand it when the clouds dissipate.

"We received a package of proposals in the field of conversion in the electronic industry on which we intend to thoroughly work, immediately after our return to Israel.

"We believe that the experience of our country, which has survived a difficult period of high inflation and has developed arrangements for operating under such conditions, may be useful to you.

"Perhaps, two days of communication among businessmen have accomplished more for our countries than all preliminary rounds of diplomatic negotiations. The Israeli businessmen have come here in order to help you

with your problems, and at the same time solve ours. The problems we are facing are similar.

"The growth of unemployment in the two countries, though due to different reasons, prompts us to look for a common way out. It is necessary to create new jobs and form systems of employment for the populace. To this end, joint enterprises with various production lines, from the processing of agricultural raw materials to the electronic industry, will be set up in the territories of the two countries. Even now many Israeli businessmen are operating in republics which comprise the unified economic space of the former Union. The financial group of Mr. Aisenberg [as transliterated] is implementing a particularly efficient project in Uzbekistan. As early as the first year of operation, they succeeded in increasing labor productivity by 60 percent using a state-of-the-art technology for growing cotton.

"We offered projects of long-term grain storage to Krasnodar Kray which is particularly topical in Russia. Preserving the crop has always been a weak spot here.

"Business cooperation will not be unilateral. Enterprises of the military industrial complex which were forbidden for many years to establish any relations with Israeli industry have been issued licenses for the delivery of their products to Israel and for engaging in joint work for the first time. This is the case with the High Technology Association belonging to the Union of Science and Industry, as well as the Ilyushin and Tupolev design bureaus which will operate on the basis of a trilateral union between the USSR, the United States, and Israel. A number of contracts provide for major capital investment in the development of Soviet basic research.

"Water and electricity are among the main problems of Israel. Interesting and quite promising developments in the field of power generation which exist in the Soviet Union may be successfully implemented in Israel.

"An extensive international program for AIDS control has been created in which a special center in St. Petersburg, a similar center in Washington, and the Haifa medical institute take part.

"Three modes of converting military production will be developed in the Soviet Union with the help of Israeli businessmen: automation of production processes in industry, medical equipment, and consumer goods."

About 200 joint enterprises have already been created in the USSR territory with the participation of Israeli capital. What will the basis for mutual settlements be? After all, the nonconvertible ruble interferes with the development of normal economic relations? I put this question to Mr. David Kimche [as transliterated], ambassador at large of the government of Israel.

The ambassador replied: "We have experience in unconventional approaches to issues. The cotton project in Uzbekistan is a case in point. Settlements for the contribution of the Israeli side will be effected by means of the

extra cotton grown. Payments for the delivery of mobile silage plants from Israel are made in urea. Therefore, there are ways to overcome this problem while the ruble remains nonconvertible.

"For example, if you grow two tons of cotton per hectare, and we teach you how to harvest three or even four tons, you will be able to afford to give us, say, half a ton of cotton in payment for our help. This is a universal approach to any sphere, be it industrial or agricultural. If you increase the productivity of a given sector you will generate products both for you to keep and to settle with us. In any event, this is advantageous for both countries..."

Therefore, one more wall has tumbled. Well, this serves to confirm yet again that there are no borders for business.

Prospects for Stability in Lebanon Assessed

Prospects for Stability in Lebanon Assessed

[Article by Igor Popov: "Is the Bloody Search for Happiness Over?"]

[Text] Quite recently even reports from Lebanon occupied a leading place in news summaries: The civil war, which had been incessant for over 15 years, had flared up in the center of a most explosive region of the world.

The events of 13 October 1990, which led to the surrender of the supporters of General 'Awn, finally enabled the Lebanese Government to embark on the implementation of measures aimed at the achievement of national accord. But despite the halt to the civil war, the Lebanese problem itself persists. All the current problems in the Near East, which combined with the specific features of the development of Lebanese society form an odd cluster of contradictions, continue to be projected to this day onto the territory of this Arab country (and its area constitutes only 10,400 square km).

The adoption of the National Pact of 1943 on the basic principles of the state arrangement and international status of an independent Lebanon, being an essential condition for the country's achievement of independence, legalized the credal system therein.

Thus the legislative enshrinement of the unequal situation of the religious communities and their differing foreign policy orientation primordially prepared the soil in Lebanon for future sociopolitical upheavals connected both with internal and external processes. The exacerbation of the situation in the Near East, the serious demographic changes and the growth of social tension within the country sooner or later had to have led to catastrophe.

The civil war in Lebanon has carried away over 135,000 lives, crippled the fate of many generations of Lebanese and caused the country's economy colossal damage.

Such is the price of the nonpeaceful path of the implementation of political reforms leading to a paralysis of the activity of the central authorities, the broad-scale militarization of the population, separatism, destruction of the economy and a decline in the living standard and, as a consequence, the mass emigration of its inhabitants.

What are seen to be the prospects of the development of the situation in Lebanon with regard for the results of the first postwar year?

The steps taken by Lebanese President Ilyas al-Hirawi aimed at a revival of national unity have already led to a marked improvement in the situation in the country. The implementation of the plan for the restoration of Greater Beirut, which provided for the withdrawal of all armed formations beyond its confines and the lifting of the restrictions on free movement between the Muslim and Christian zones, has led to the resumption in full of business activity in the Lebanese capital. As a result of gradual measures practically the entire territory of the country, except for its separate southern areas illegally occupied by Israel, is under government control at the present time.

But it would still be premature to regard what has been achieved as a guarantee of the dependable stabilization of the political situation in Lebanon. Obviously, the participation of a number of politicians in the coalition government formed last December can hardly be characterized as a sincere endeavor to cooperate in the interests of the country's speediest revival. Considering also the fact that the Lebanese authorities' order concerning the disarmament of all military formations of the political parties before the end of last April has been carried out far from fully, the continuing distrust of the country's new leadership on the part of individual political forces may be assumed also.

Under conditions where there is skepticism regarding the capacity of the present government for effectively tackling the problems confronting society, which is explained by the sorry experience of preceding cabinets, the authority of the new Lebanese administration now depends on its decisiveness in the achievement of stability within Lebanon and a rise in the living standard of its citizens and also the return of sovereignty over the southern areas of the country. Without doubt, a revision of the provisions of the National Pact which legally enshrine the political inequality of the different Lebanese communities would be a most serious step.

Upon a study of the prospects of the country's further development account has to be taken also of the very close dependence of the domestic political situation therein on many external factors. It was the lack of settlement of the Near East conflict which served formerly as the catalyst for the maturation of serious internal contradictions which subsequently led in 1975 to the start of the civil war.

And the Palestinian question, which still remains open, affects most directly the security of the country, on

whose territory at the present time there are, as refugees, approximately 400,000 Palestinians. The formerly uncontrolled armed operations of the Palestinian resistance carried out against Israel from Lebanese territory, which were frequently of no military or political significance, brought about retaliatory attacks on Lebanon accompanied by casualties among the Lebanese population and a further exacerbation of the situation in the country. In addition, the well-armed formations of various Palestinian groupings, which would frequently serve to clarify relations between themselves, provoked new spirals of violence in the country. The agreement signed this year in Saida between representatives of the Lebanese Government and the PLO was intended to put an end to this problem.

The improvement in the situation in Lebanon's domestic political arena makes it possible to anticipate with optimism in the near future a solution of the hostages problem also. This is not only a matter of honor for the Lebanese Government but also a most important condition for obtaining from the West the financial assistance so necessary for revival of the national economy.

The prospects of a solution of what is today, perhaps, the most painful problem for Lebanon connected with the military presence on its territory of Israel and Syria appear less optimistic.

The establishment of the regular Lebanese Army's control over the southern part of the country accompanied by the departure thence of the Palestinian armed formations corresponds to the conditions advanced by Israel earlier for the withdrawal of its forces from Lebanon. But now Israel is demanding the complete withdrawal of the Syrian military contingent, which is in Lebanon to "keep the peace."

In addition, the leaders of Israel and Syria are insisting on the continuation of their military presence in this country for the protection of their interests in this important strategic region. It remains for Lebanon to hope thereby for a solution of its burning problems only within the framework of a comprehensive settlement of the Near East conflict.

Soviet Problems Upset Trade Balance with Egypt

92AF0042Z Cairo AL-AHRAM AL-IQTISADI in Arabic
16 Sep 91 pp 10-11

[Report by Kamal Jaballah]

[Text] An important and pressing question concerning the economic and trade relations between Egypt and the USSR has come up as a result of the radical and successive changes and developments that the USSR is witnessing now. Also the present and future status of the economic cooperation between the two countries calls for concern. It is certain that during the 1960s and 1970s the Soviet Union offered Egypt financial assistance that

contributed to the establishment of several large economic projects. This assistance was in the form of convenient loan terms. Egypt, in return, has assumed its obligations by making timely payments on these loans. Egypt has paid most of its debts to the Soviet Union, which amounted to about two billion Egyptian pounds. The balance will be paid off in the coming few years in installments amounting from four to five million Egyptian pounds per year. As for the military debts, Egypt and the Soviet Union, in 1987, successfully negotiated an agreement calling for the rescheduling of these debts. The agreement stipulates that the debts be paid in 25 years with a grace period of 5 years. Payments will resume in 1992 and the first installment, not exceeding 30 billion Egyptian pounds, will be in the form of Egyptian goods needed by the Soviet Union. This is the situation with the military debts and the non-military loans. The trade exchange between the two countries has been upset. Due to the economic uncertainty in the Soviet Union since 1985 and the availability of Egyptian products needed by the Soviet market, Egypt is now exporting to the Soviet Union more than importing from it. The surplus in the balance of trade in favor of Egypt has caused a real problem in the flow of Egyptian exports into the Soviet market. For instance, the value of what each side can export, according to the 1990 protocol, was set for 350 million accounting pounds sterling and 400 million accounting pounds sterling, per the 1991 protocol. At the time when Egyptian exports were flowing satisfactorily into the Soviet market, the opposite was happening to the Soviet Union, and Soviet imports into Egypt were sharply decreasing until they did not amount to more than 20 million pounds sterling in 1991. This disruption in the balance of trade with the USSR has led to the accumulation of Egyptian debts in the payment account agreed to between the two countries. The value of Egyptian debts has recently exceeded 250 million accounting pounds sterling, or 750 million Egyptian pounds. Since the Soviet Union has been, and still is, a major market for several categories of Egyptian exports of consumer and modern industrial goods, it is essential to exert every effort to keep it as such and even strengthen it, especially at a time when Egyptian production is increasing and the climate is suitable to encourage and support exports to both the private and public sectors alike. While taking into consideration all the changing circumstances being experienced by both Egypt and the Soviet Union, the present situation should not be allowed to continue, even if the Soviet Union is not willing to continue exporting arms to Egypt without obtaining, in return, either cash or goods. One can not be indifferent for long towards a near stoppage in the flow of imports from the Soviet Union. For its part, the Egyptian Central Bank is issuing bank notes to pay Egyptian exporters who are waiting to close deals with the Soviet Union. It remains to whisper in the ears of Egyptian exporters and ask them not to freeze their activities, but to increase their efforts to market their products in the Soviet Union by concluding direct and balanced transactions with the Soviet Union as long as the local regulations are favorable. In addition, and so

long as Soviet trade regulations permit such free dealing, certain Egyptian exporters should attempt to market products containing foreign [production] elements that have hard currency value. More importantly, Egyptian exporters should attempt to enter into partnerships with foreign exporters, especially from Western Europe, in order to meet the needs of the Soviet market. However, what does not need to be whispered in the ears of the Egyptian exporters is the need to not restrict their activities to Moscow, but to market in the capitals of the Soviet Republics such as Leningrad, Kiev, and Tashkent in the south. In the new trade centers it is possible to agree to balanced trade measures. It is certain that the new Republics produce goods that we need and we, in return, have goods to market there. Will we stop issuing "bank notes" that are meant to cover the value of the imports that are not coming, and will not come, into Egypt as long as the present situation there continues? Will the private sector obtain the lion's share of hard currencies by concluding direct transactions? Will we open new markets in the important trade centers of some of the capitals of the Soviet Republics? These are new questions imposed by the successive changes in the Soviet Union and, in order not to lose any more of our economic and trade relations with the Soviet Union, we should immediately embark on finding the answers.

Soviets To Provide Technology for Phosphate Project

92AF0089Z London AL-SHARQ AL-AWSAT in Arabic
17 Oct 91 p 10

[Text] Cairo, AL-SHARQ AL-AWSAT bureau—Egyptian industry officials recently reached an agreement with concerned Soviet parties that would allow the Egyptians to import the advanced technological equipment needed for the Abu-Tartur phosphate project from the Soviet Union. It was also agreed that all Soviet machinery would be supplied in accordance with the design laid down by Western experts from French and Swiss companies. Meanwhile, other studies of the project have revealed that the total cost of implementing it will be 1.7 billion Egyptian pounds.

It is said that the project, which Egyptian and Soviet experts are implementing, is being done within the framework of a comprehensive contract between the Egyptian Ministry of Industry and the Soviet side, whereby the latter will supply 650 million Egyptian pounds worth of machinery and equipment needed for the Egyptian project in exchange for the Soviets getting phosphate concentrate.

Engineer 'Abd-al-Mun'im Isma'il, head of the project's executive office, which is 800 km from Cairo, said that the value of the total investments will reach 1.7 billion Egyptian pounds, and he pointed to the agreement, which stipulates that work on the project be completed within its set time frame without delay.

In the hills of Abu-Tartur, located in the al-Wadi al-Jadid Governorate, there are billions of tons of raw

phosphate, according to experts' estimates, in an area of 112 km. The area represents 10 percent of the total area of the hills, where there are natural deposits of the raw material that can easily be reached.

Eng. Isma'il explained that, so far, tunnels 12 km long have been dug, out of a total of 42.5 km needed to start extracting the raw material. This will happen when the first line of the mines is put into operation in 1993, with a capacity of 1 million tons a year. Concentration operations will start in 1994, with a capacity of 600,000 tons of concentrate per year. Meanwhile, the lines of the project will be installed successively, so that capacity will reach 2.2 million tons per year in 1996, whereby production will meet the needs of the local Egyptian market and export to India, China, the countries of East Asia, Bangladesh, and the Soviet Union, within the framework of increasing the project's capacity to 3.5 million tons per year in the year 2000.

Eng. Isma'il added that the project has several goals, including using the raw material to produce phosphate fertilizers; increasing Egypt's hard currency revenues; providing job opportunities for around 5,000 citizens in the project and its complements; and establishing an industrial settlement in the al-Wadi al-Jadid Governorate. In this context, a railroad line is now being built, 850 km long and extending from the region of Safajah on the Red Sea to al-Wadi al-Jadid, linking eastern and western Egypt for the first time, except for an electric line extending from Naj' Hammadi to al-Wadi al-Jadid, and from there to the region of al-Kharijah, until the transformers of Abu-Tartur are installed to transform the electric current into the energy used in the project. Also, a new port will be built in Safajah to accommodate large ships of more than 70,000 tons; 2,500 feddans around the project will be reclaimed, and a city to hold a population of 25,000 will be built.

The project's administration has begun to carry out the scientific endeavors connected with the project. It has established the Abu-Tartur Phosphate Institute to study the raw material, fertilizers, and ways of concentrating the phosphate. This has resulted initially in raising the concentration from 26 percent to 31 percent. This is in the production of phosphorus pentoxide, and there is a strong possibility that this percentage could be raised.

Effect of Coup on Long-Standing Economic Ties With India

92UF0160A Moscow IZVESTIYA in Russian 4 Nov 91
Union Edition p 3

[Article by V. Skosyrev: "An Indian Businessman Residing in Moscow Feels as if He Is in the Raykin Theater"]

[Text] Life is full of surprises not only for us Soviet citizens. When Djaram Vir studied the political economy of socialism at Moscow State University about 20 years ago, he could not have possibly imagined that the building of socialism would begin to collapse before

our eyes, and that its debris would come down on a capitalist company in which he would become a partner. However, this is precisely what happened.

Vir sighed: "Our company, Bremko, has been present in the Soviet market for about 30 years now. We sell soap, toothpaste, and footwear here. We even have our own beauty salon in the GUM [Main Department Store], which is called Lakme. It appears that we have gotten used to local conditions, and nothing surprises us anymore. However, there have never been events like those happening now. Judge for yourself: It is the fourth quarter already, it is time to sign contracts, but they are not being signed. This means that your customers will not receive footwear and other necessary items, that the plants in India will be idle, and that their workers will lose jobs. Actually, our plant producing toothpaste has already gone bankrupt."

To be sure, Bremko is not the worst case. Fate has been more merciless to other companies. Several million people were employed in India filling Soviet orders. Now that the stream of orders has begun to run dry, they have begun to lay off the workers. In turn, the latter resorted to a tested weapon of the class struggle—strikes, and even setting fire to factories. It is unknown indeed what is worse for the unfortunate factory owners: the victory or demise of socialism on one-sixth of the Earth.

Of course, having lived in Moscow for decades and traveled the unusual path from a Russian translator to a co-owner of the company, Vir is very well aware of our political tribulations, which he diplomatically calls "grandiose changes." However, even taking the above into account, he fails to understand why we turn away from proven partners so flippantly, and to our own detriment, in the course of chasing hard currency.

A couple of weeks ago, a Swiss company approached Bremko in Delhi offering to deliver a footwear shipment to the USSR. They offered an advantageous deal. Why not go through with it? But Vir was not happy at all. After all, Bremko has been delivering footwear to our country directly all along. Why the intermediaries? The answer is obvious for Vir. Some Soviet organization sold, say, scrap metal or lumber to the Swiss, received hard currency, and asked the same Swiss for footwear.

Everything seems to be logical. However, our side wants low-priced shoes, whereas such shoes are just not manufactured in Europe. This is why the Swiss turned to India. As a result, there are no doubts that shoes or boots will be delivered to our organization but, naturally, with a surcharge to be kept by the intermediary.

Far Eastern companies also act as middlemen between us and the Indians increasingly often. Having hard currency in their possession, they eagerly purchase raw materials and fill Soviet orders for sweaters which are in very short supply in our country and other consumer goods produced in India. In the process, a tag carrying the enchanting caption "Made on the Italian model" is

attached to the product. Subsequently, everything is shipped to the USSR at a price in which commissions account for 20 percent.

However, it makes no sense to blame foreigners for taking advantage of the opportunity. We are punishing ourselves... Here is one more characteristic detail. Tata, the largest group of companies in India, which we previously called "monopolistic," is building a first-class hotel in Tashkent. Six hundred Indian construction workers arrived; the hotel promises to generate instant hard currency proceeds from tourists. Meanwhile, the "monopolists" weep bitterly. Deadlines are not being met, despite the fact that regular wages must be paid to the workers. The Black Sea Shipping Line no longer wants to ship containers with equipment from Bombay to a Soviet customer for rubles, as was the case before. The shipping line demands freely convertible currency... This, in particular, is the reason for construction delays.

Yuriy Koton, general director of the Association for Business Cooperation with India, joined the conversation: "I am not against the market, I am enthusiastically in favor. However, previously there was order, even if bureaucratic. The two states signed trade protocols annually; settlements were effected in rupees. For example, it was envisaged that we would need 1 million pairs of footwear, 300,000 sweaters, and so on. Assignments were given to enterprises to supply the amounts of refinery products and machine tools indicated in order to ensure this request. Protocol-based trade has now collapsed. There are no state requisitions for enterprises in conjunction with the delivery of goods for the Indians. It is unknown how settlements will be effected—still in rupees (which would be desirable for both sides) or in hard currency. If it is going to be the old way, then it is unclear what the ratio of the rupee to the ruble will be. The Indians have set up several joint enterprises in our country, and they are also prepared to start new ones. However, the issue of transferring profits generated in rubles to India has not been resolved.

In a word, it is a vicious circle. To be sure, there is now a ray of hope for the Indian entrepreneurs in the form of the economic reforms announced by B. Yeltsin. Could they perhaps put an end to uncertainty? Vir would particularly like the Russian authorities to eliminate the additional obstacles to trade that Moscow has introduced in the current year.

Previously, our organizations entitled to engage in foreign trade could sign contracts on their own. Then the government came along: If you want to import something you must secure a license from the Ministry of Foreign Economic Relations (MVES). Vir said that the execution of contracts is delayed by two quarters on the average as a result of this rule. Actually, the toothpaste factory of the Bremko company went bankrupt precisely because the Soviet association which ordered the merchandise was engaged in correspondence with the MVES for several months.

Vir said: "Ultimately, the ministry gave us the go-ahead, but has the delay benefited anyone? This episode with hacking out a license reminded me of a scene from a performance by Arkadiy Raykin: A boss is asked to issue a certificate, but he replies: Give me a certificate to the effect that you need a certificate."

Not everything is lost, since the Indian businessman finds a humorous aspect to this. Along with Koton, Vir believes that trade with India may be rescued. However, to this end the powers of the center and the republics in foreign economic activities need to be delineated clearly (incidentally, here is a paradox: Unlike some other developing countries, India has been paying back its debt to our country regularly. However, at present India is not entirely sure whether the debt is to be paid to the Union or to the republics).

The following question is legitimate: Actually, why is the author so concerned about cooperation with India? Cooperation with the United States, the European Community, and Japan is much more promising. After all, this is precisely where loans and investment may come from...

Well, God willing they will come. However, as we attach our hopes to cooperation with the West, let us recall that so far we have been shipping from India 90 percent of the imported tea, 60 percent of the coffee, and 90 percent of the jute products, spices, knitted goods, and leather products. If we fail to restore economic relations, which have now collapsed, with that immense country, virtually all of us will feel the consequences.

Afghanistan's Karmal Recounts Soviet Invasion, Political Fate

92UF0153A Moscow TRUD in Russian 24 Oct 91
pp 1, 4

[Interview with Babrak Karmal, former leader of Afghanistan, by Vladimir Snegirev: "He was the Kremlin's Hostage: Babrak Karmal Talks"; interview held in the summer of last year; place and time not specified]

[Text] The undying interest in the Afghan theme recently received new impetus: the USSR and the United States agreed to stop supplying weapons to the conflicting sides as of the new year. The events in the neighboring country continue to attract the attention of historians and journalists. Today we offer one of the former Afghan leaders the opportunity to express his point of view.

He flew from Moscow in June, on an ordinary flight of the airline company Ariana. If it were not for the hundreds of excited young people who saw him off, he could have been taken as an altogether ordinary passenger. But he was not. Honor guards were set up in his honor at airports not long ago and the highest officials of our state embraced him with respect. Brezhnev, Andropov, Chernenko, Gorbachev... Now even the instructor from the Central Committee international

department who used to believe carrying his wife's suitcase was a great favor did not come. Not one of the Soviets came.

This caused him pain. He just could not reconcile himself to the idea that he had been betrayed or to that role which Moscow had compelled him to play 5 years ago. The role of the "has-been."

At the start of last summer, after long exile which certainly could also be called house arrest, Babrak Karmal returned home. Once again resolve showed in his formerly dull eyes. His shoulders were straight. His voice had become stronger.

The Afghan students studying in Moscow who came to escort their idol saw the former Babrak, whom they knew so well either from portraits which at one time hung in Kabul or from photographs which appeared in the newspapers every day.

Although, of course, now he was a different person.

The most incredible rumors and appraisals accompany the biography of this man, and some of them, which claim to be objective, are from real bigwigs. Anyway, soon after our troops withdrew from Afghanistan, in an interview with OGONEK the not unknown Army General Varennikov, who had headed the General Staff operational group in Kabul for many years, made B. Karmal pretty much the main culprit in the 40th Army's failure beyond the Amu Darya. Incidentally, the General, who had received the Gold Star of Hero along with other very high-ranking military men for who knows what commanding services in Afghanistan, was modestly silent about his role, although according to various evidence, he did have something to confess.

In the West the version that B. Karmal was involved with the KGB was widespread—this was undoubtedly promoted by the idea that people from the special services "closely" managed all Afghanistan affairs, and during the period when Karmal occupied the highest party and state posts, his closest advisor, inseparable, with him around the clock, was the recent state security resident in Kabul, Colonel O.

People said that he was a hard drinker, and even the USSR ambassador to Bangladesh, V. Smirnov, fell victim to this rumor, which is being spread, I now understand, deliberately. Smirnov not so long ago wrote in MOSKOVSKIYE NOVOSTI exactly as follows: "We also gave drinking parties for the best friends of the Soviet Union (Tsedenbal, Babrak Karmal, and many others of lesser rank)." As for the Afghan, I must consider only one thing absolutely true in this assertion: Karmal's Soviet comrades who were around him during his leadership, and that includes military men, diplomats, and Chekists, really were noted for their excessive predilection for drink: it happened that even after breakfast they would have one glass and then another "for courage," although the Kabul leader did not catch this

contagious disease—I assert this as a man who met with him many times and in all circumstances.

They call him a man who followed Taraki and Amin in continuing to fan factional dissension in the ruling party, and it is really difficult for me not to agree with that accusation. But, I spent a long period of time on the Hindu Kush ridges and never once met people in the leadership echelons who were not at all infected with the disease of factional struggle. That is Afghanistan.

No, after long talks with our hero and people who knew him well, after studying a multitude of documents, and after hard reflections on Afghan history of recent decades, I cannot cast stones at him like the others have. His fate is the tragedy of a man who dedicated his life to serving the idea of freedom, then entirely trusted the "great northern neighbor," and was then craftily betrayed by this "dear friend."

Having become an activist of the movement for democratic rights back in his distant student years, he drained the cup of oppositionist (or, as we say, "dissident"). He was arrested more than once, spent several years in prison, and was subjected to interrogation under torture and beatings and participated in hunger strikes. What did he want? Civilized democratic government in his native state. Elimination of ethnic oppression. Progressive reforms in farming which would bring the country out of incredible poverty.

For him, the son of a governor of a large Pushtu province, a colonel-general, freedom was never a class concept. Or rather, it never was until the path of the young Afghan democracy crossed that of the communist religion, whose missionaries were our diplomats as well as those who passed themselves off as diplomats. I think, by the way, that in the depths of his heart this well educated and erudite man, who knew three foreign languages well, did not really identify with the ideology of Marxism-Leninism as applied to Afghanistan; however, following the rules of the political game which had been imposed and after being set up on the Kabul throne, in his speeches he obediently used incantations of loyalty to the "class approach" and all the rest of the ideological stereotypes which we know so well.

The official dacha which I rented in recent years happened to be adjacent to a private residence surrounded with a closed fence where the former leader of the neighboring state was kept. People say that before him the communist leaders of Yemen, China, and Spain who were in exile lived there. There was a State Security guard round the clock in the wing next door who followed Karmal everywhere, even during his infrequent walks around the vicinity. There was a servant in whose room—you could see it clearly from the neighboring territory—hung the imperishable appeal: "Ensure good labor discipline and high quality service." Whenever I made it through the guards, at times not without difficulty, and visited Karmal and we sat and talked, the

servant followed the appeal and served good tea and cookies. Our talks continued for hours.

Alas, even today can by no means everything we talked about be revealed. As they say, the time has not yet come. With some things he did not tell the whole story and others he asked me not to mention. I promised.

[Snegirev] From a present-day perspective, how do you interpret the events of 1978? The overthrow of the M. Daud regime? The April Revolution?

[Karmal] As a terrible crime against the people of Afghanistan.

[Snegirev] But you were an active participant and even one of the leaders of the April coup.

[Karmal] No. The revolution, if you want to know, was carried out against my will, against the will of many leaders of our party.

[Snegirev] How can that be? Then the PDPA [People's Democratic Party of Afghanistan] Central Committee really did not make the decision to overthrow Daud? Judging from what I heard from many veterans of your party, there was supposedly agreement in the Central Committee that if the threat of the defeat of the PDPA arose, you should immediately oppose the regime. In late April 1978 the party leadership was arrested, that is, the threat became real. That accelerated the outcome—by the way, our historians as well as foreign scholars are inclined to that opinion. Was it really not like that?

[Karmal] I know that such versions exist. But the truth is, and it is finally time to reveal it, that there was no plan to overthrow Daud. The Central Committee did not make such a decision. The leadership of the Parchami faction¹ was against an armed action, arguing that the revolutionary situation was not yet ripe.

True, on 25 April 1978 all the Central Committee leadership was arrested...

[Snegirev] ... including Khafizullah Amin.

[Karmal] No, he ended up in prison 18 hours after the others. Where he was during those hours no one knows. Amin essentially made a personal decision to come out against Daud. The Khalq faction, which, as you know, Taraki and Amin headed, also apparently shared this decision. But not one of the Parchamis was let in on the coup plan.

[Snegirev] So the revolution, you assert, was a complete surprise to you. Amazing! But what happened then? On 27 April you and other figures of the PDPA liberated Pol-e Charkhi from prison.

[Karmal] No, no, we were in the city prison; it is in the center next to the ministry of education. Sometime about 1400 or 1500 hours we were all taken in an armored personnel carrier to the radio and television building where the insurrection's headquarters were. The

battles in Kabul were in full swing. Events were going well for the insurrectionists.

Daud and his family and members of his cabinet were in the presidential palace. He was doomed, because there were many of our supporters even in the guard that was protecting him. In addition, the insurrectionist officers acted in a coordinated and skillful manner. All the disagreements between the factions were forgotten in those hours and they spontaneously united, even though the Khalq leaders resisted it.

[Snegirev] And the party leadership? Did they act together during those hours?

[Karmal] Not quite. Strictly speaking, the disagreements were a continuation of old disputes. Then a painful debate arose among us: the Khalq people insisted that Daud and all his relatives and retainers be exterminated immediately. I protested: it would leave a black mark on the revolution. I proposed calling the palace by telephone (at that point communications were still working) or appealing to the besieged people through loudspeakers and proposing that they surrender. But Taraki and Amin and their supporters in the Central Committee made the decision to exterminate all of them. So it was done: not only was Daud killed, but also his wife, children, and grandchildren, as well as two of his ministers who were with him.

I repeat: I was against it. You can find confirmation of that in the speeches of Amin published later. He said the following: "Our association with the Parchamis was a tactical maneuver. Karmal and his comrades are counterrevolutionaries. They were against executing Daud, because they desire death themselves. We wanted to kill Karmal the very first evening of the revolution, but Comrade Taraki would not agree to it. The counterrevolution has to be destroyed immediately."

The debate on the issue of the military-revolutionary council was the next step toward aggravating our intra-party disagreements. The official historiography says that it was precisely this organ which was at the head of the April coup. But in fact it existed only on paper—the Central Committee managed all affairs. Amin's treacherous plan, which he brought up for discussion on the very first night of the revolution, proposed creating a supreme organ of state power in the form of precisely the military-revolutionary council (MRC). Amin was pursuing his own far-reaching scheme: he wanted to put Taraki at the head of the MRC, but taking into account his own influence among the military, and it was great, he would have in fact controlled the situation.

The next day, during another meeting of the Central Committee on the question of Amin's power, the MRC list of 50 people was submitted for approval; for the most part they were military men and among them were only two or three Parchamis. In his speech, it is true, he avoided that fact, but I sat next to Taraki and saw the list.

Yes, even then Amin wanted to take power in his hands. He acted so insolently and carefully that a few members of the Central Committee began to waver—was it perhaps better to give in? Taraki did not agree, understanding the danger of Amin's plan even to himself. I spoke also and accused Amin of trying to create a military-terrorist regime.

Ultimately our viewpoint won out. Taraki became the main person in the government, the revolutionary council, and the party. And I was his deputy in all three instances.

[Snegirev] Now then, I am prepared to believe that the revolution came off despite your will. But in the end the coup was a complete victory for the PDPA. What did you feel in those days—joy, dissatisfaction, anxiety?

[Karmal] There was no joy. I experienced a bitter sense of misfortune. I want to emphasize once again: I was against the violent seizure of power. My position was that the party should become strong and bound to the people by stronger relations. It should have gone to the people and merged with them. The broad popular masses should have become politically conscious. An atmosphere of political democracy should have reigned in the country.

I understood that in the event of a seizure of power, the masses would not support us and then we could not stay in power. The Parchamis advocated a respectful attitude toward Islam and traditions. We fought above all against rightwing reactionaries. In foreign policy we adhered to the principle of active and positive nonalignment and the opportunity to express one's opinion freely on what was happening in world processes. These principles were the basis of our daily activities.

Many of your people who at that time worked in Kabul relied on the Khalqis: to Soviet people they apparently seemed more Marxist. The Khalqis drank their own bottle of vodka first, but they obligingly served yours second: "Good job! That's the way! You are on the true path, comrades!"

[Snegirev] Very soon Amin found the opportunity to get rid of you and convinced Taraki to send Karmal as ambassador to Czechoslovakia. Then, as far as I know, you were ordered to return home where unavoidable punishment awaited you, for by that time all the Parchamis had been rooted out of the leadership and many had been thrown in prison. You disobeyed and became a political emigrant for a whole year. In the fall of 1979 they remembered you again and, as many people believe, you entered Kabul in Soviet tanks. Is that so? What is your version of your return from Czechoslovakia in December 1979?

[Karmal] To answer that question, I should begin a long ways back. Our party had been created on 1 January 1965. At that time a rather young man, I began to work alongside my senior comrade Taraki, a long-time friend of the Soviet Union. At the party's founding congress

Taraki was elected first secretary of the Central Committee and I, second secretary. As yet there was no Politburo, there were seven Central Committee members and four candidates.

After 2 years I had a disagreement with Taraki—on political, ideological, and organizational issues. He believed that the minimum program for the party was a people's democratic revolution with all the features stemming from that, even to dictatorship of the proletariat. I was against it and asserted that we were at the beginning of a national-democratic movement. Taraki wanted to jump over all the stages right to socialism. Our differences continued for 10 years. Finally, 8-9 months before the April events, we reached agreement and came together. Then came the revolution. I was again the second in all posts, in the party, the state, and the government. But Taraki was killed by his own comrades in arms. Amin betrayed the interests of our common cause. To whom should the party turn its gaze, in your opinion? Who should be called upon?

No matter what road I took to Kabul, it was the will of my party.

[Snegirev] And who made the decision to remove Amin?

[Karmal] It was natural that Amin should leave and the party should live. We came to the decision to remove Amin at the same time—the healthy forces in the PDPA and our Soviet comrades.

[Snegirev] Remove or physically eliminate?

[Karmal] To put a despot out of the way and eliminate the tyranny from which thousands of Afghans had suffered.

I did not invite the Soviet army to Afghanistan. When I arrived in my homeland some of your troops were already there. I was faced with an accomplished fact. Amin requested military aid and even wanted to go on television and announce it, on the very evening when he was killed.

[Snegirev] But all the same how was your return accomplished, technically?

[Karmal] Of course we could not come to Kabul through Pakistan or Iran. We flew through Moscow. How we flew and in what are just details which I would rather not get into right now.

[Snegirev] There is one more question which I must certainly ask, even though it may seem tactless to you. On 28 December, that is, the next morning after Amin's murder, you were named general secretary. How could an election have taken place if there was no congress and no plenum?

[Karmal] But there was an armed uprising. On the eve of and during the battle meetings were held with the comrades who previously made up the leadership cell of

the party and under Amin had hidden in the underground. During these meetings it was decided that I should become the head of the party.

In the West, and even in your country, people say that the Soviets made Babrak Karmal leader of Afghanistan. But, people say, they later removed him. I want to again repeat and I will always repeat this, that I did not want to assume the responsibility of governing the country. I did not want to! I was particularly against it when I found out that Soviet troops would come to Afghanistan. But people exhorted me from all sides. Other possibilities simply did not exist. There was no alternative.

[Snegirev] By the way, when did you find out about the plans for an extensive military invasion of Afghanistan?

[Karmal] Just before it began. And 2-3 months after I took the supreme posts, I found out that the USSR wanted to bring in troops right after Taraki's death, that is, back in October. As I understood it, this decision was tied to possible U.S. sanctions against Iran. Moscow feared that American troops would appear at the Afghan borders. Yes, after 3-4 months I put together all the information and, it seems, understood what really had happened.

[Snegirev] You want to say that the troops would have entered Afghanistan regardless of whether Amin had asked them to or not? That Afghanistan was the victim of the confrontation of the two superpowers and the aggravated relations between them?

[Karmal] Yes, that is correct. The Cold War was at that point very hot. But the Americans proved to be a little smarter than you. They did not send their troops to Iran.

[Snegirev] People say that before December 1979 Kabul was hung with portraits of Marx, Engels, and Lenin.

[Karmal] But when I came to power I instructed that they be removed immediately. Many people had a negative reaction to this decision—even those comrades of ours who had been educated in the West. "How can that be?" they wondered. "Taking down the portraits of the leaders of Communist doctrine?" But I was firm.

Of course, at that time we treated Marxism-Leninism with great respect. This force defeated fascism and conquered the minds of millions of people. Moscow was to us the center of the world and a symbol of mankind's happiness. But who could have imagined that everything would turn out the way it did? No one could even have dreamed of what is happening in your country now.

[Snegirev] Western journalists have alluded to your link with the KGB more than once.

[Karmal] Yes, I have heard about that. What have they not accused me of? A KGB agent! That is absurd! As a member of parliament for 8 years before the April revolution, I always openly supported friendship with

the Soviet Union. What kind of an agent would have behaved so rashly? He would certainly have been discovered right away.

[Snegirev] It is well known that in Kabul you were surrounded by a solid ring of our advisors. An advisor on the party. An advisor on Council of Ministers affairs. An advisor on the Revolutionary Council... They came and others left. One, I remember, they led away from you in handcuffs: despite his important state post, he was mixed up in common criminal activity and received the maximum sentence. All the advisors, you yourself saw this more than once, especially during banquets, vowed love and friendship to you and fidelity to the grave. I wonder if now, when you are, let us say, in the situation of a political hostage, they are interested in you and call on you.

[Karmal] I have been here for more than 4 years. But during that time no one has come to visit me. All those who in Kabul obsequiously spoke of "inviolable friendship united by the common revolutionary struggle" have turned away from me. All of them! Only rarely do minor officials come from the Central Committee and tell me what I can do and what I cannot.

You are right, your advisors were everywhere then: in the army, in the security service, in state institutions, in the mass information media, in social organizations, the highway police, educational institutions, everywhere. I was not a leader of a sovereign state. It was an occupied state where you in fact ruled. And now General Varenikov accuses me of all the sins—is that really fair? I cannot even take a step without your advisors.

Our country today reminds me of an ocean in which there are only a few tiny little islands—the territory around major cities controlled by state power. Pay attention, who is successfully protecting these cities, Kandahar, Kabul, Jalalabad? It is the generals whom, contrary to my wishes, your top military bosses did not think much of at all.

[Snegirev] So who did they think a lot of?

[Karmal] The premier, Tanay. I suggested that he was an illiterate and unreliable man, but your people moved him up to chief of the General Staff and minister of defense and in doing so said that he was the "Afghan Marshal Zhukov." You know how that ended.²

It is absolutely clear that Kabul is now in no condition to organize broad offensive operations throughout the country's territory, that is, to achieve the advantage or stabilization by military means. So, there is only one thing to do: seek opportunities for reconciliation more vigorously. There is no choice. Power on a broad social base is needed.

[Snegirev] But surely it appears that Najibullah is seeking that too.

[Karmal] For now it is a police democracy there. And I want to emphasize that I am saying this not as some

member of the opposition, but from the positions of our party, which has declared a new course.

[Snegirev] Tell us about how you ended up here. I understand that this question is a delicate one and if you want I will help you. So then, in 1986 Moscow apparently decided that because of the forthcoming withdrawal of Soviet troops and the coming changes in Afghanistan's domestic policy, a different person had to be put in power. By this time the recent chief of state security Doctor Najibullah had already been trained for the role of first official. Then, as is the custom, a plenum was assembled and a vote was taken.

[Karmal] An important person came specially from Moscow to decide my fate. I do not want to give his name—you can guess yourself.

[Snegirev] Kryuchkov?

[Karmal] But I did not say anything to you. So this important person recommended the following: you, Comrade Karmal, should go to the Union and rest and undergo treatment for a while. And when you want to return, we will deliver you right back. Another important person said: "Now, Comrade Karmal, you have to be very careful. Enemies may kill you." "No," I answered. "Now only friends can kill me."

[Snegirev] Former friends?

He did not answer at all that time, but only again lit up his inevitable Kent. His swarthy face with the hooked nose had darkened even more since the day of our last meeting and bags had formed under his eyes. I found out from his retainers that he had not been leaving his home for more than a year now, as if thereby protesting against his extended confinement. The invariable answer that came to all his requests addressed to the CPSU Central Committee to return to his homeland was: "It is not yet time, be patient." Because of that the finale of each of our meetings turned into regular torment for me: he tried to find out why the Soviet leaders were keeping him in Moscow by force and were still flinging mud at him in the press and asked me to help him to leave, but what could I do?

The world around was changing with incomprehensible speed. Previous notions were collapsing, old idols were being overthrown, dogma which had seemed inviolable was being cast decisively into the scrap heap. He greedily snatched the newspapers, followed the news, sensed the rapid changes even in his own country. Often he sighed: "It is a pity that perestroika did not happen 20 years ago. Then everything would have gone differently in our country." Every day, every moment spent in the perfectly comfortable suburban Moscow dacha seemed a torment to him, was killing him.

I remember how in the middle of last winter, bidding him farewell and wanting to comfort him somehow, I said: "Wait a little. Soon times will change and you'll be

free to go where you want." Who could have supposed then that it would happen much faster than I thought.

Judging from sources which inspire confidence, the telephone rang at the dacha sometime on a July evening. His brother Baryalay, who occupied the post of deputy prime minister of Afghanistan, was calling from Kabul. It seemed that that day they had had a good supper with the president and were in a good mood. Then Najibullah himself took the phone. He said that he had a high opinion of Babrak Karmal's revolutionary experience and would be glad to see him again in Kabul. Karmal, hearing the long-awaited order of pardon without any emotion (his retainers who were in the same room with him did not even understand whom he was talking to and about what), in response courteously expressed the wish that the president achieve peace in the country as soon as possible and bring together all patriotic forces. He understood that something had happened. And he ordered his servants to get ready to travel.

Several days later the plane with the former leader of Afghanistan landed at the Kabul airport. A day later Baryalay was deprived of his high post in the government, which the Afghans immediately linked to his brother's return. Incidentally, when his brother was replaced by Najibullah in 1986, Baryalay was dragged off to a fairly long term in prison. That is normal Afghan life.

And the mujahedin threaten to take Kabul by storm and arrange a "night of the long knives" there. And Moscow has refused to help them with weapons since the new year.

Does he dream at night of the comfortable dacha near Moscow under the marvelous pines, the little island of undisturbed tranquility, now? I do not think so.

Should this man bear his share of the responsibility for the universal tragedy in which his homeland continues to be involved? I think so.

If we analyze his more than 6 years of activity in the post of first leader of Afghanistan, a multitude of blunders can now be found. And by no means can all of them be written off to our advisors. He is not sinless before history, this Babrak Karmal.

But show me a political figure of whom the opposite could be said.

(The talk was held in the summer of last year).

Footnotes

1. From the moment of its birth the People's Democratic Party of Afghanistan was split into two factions—the "khalq" (people) and the "parcham" (flag).

2. In the spring of 1990, Tanay headed an armed putsch against the Najibullah government. After being defeated, he vanished into Pakistan.

Soviet Press Image of Africa Excoriated by Ghanaian Journalist

92UF0190A Moscow ZHURNALIST in Russian No 8, Aug 91 (signed to press 15 Jul 91) pp 41-42

[Article by Charles Kvist Adade, journalist from Ghana working with the GEMINI NEWS SERVICE (London): "Everything Can Be Seen From the Moscow Palm Tree: What the Soviet Press Is Writing About Africa in the Period of Perestroyka"]

[Text] One of the basic components of President Gorbachev's glasnost policy is recognition of past mistakes. The civic courage required to criticize oneself and confess one's past sins has, in our day, become a sign of radical or democratic politicians in Moscow.

Soviet journalists specializing in the problems of Africa also recognize that they have still not provided the reader with a complete and exhaustive picture of that continent.

During the past three years, in response to an appeal from President Mikhail Gorbachev to fill in the blank spots in history and international relations, Soviet journalists who cover Africa have published a great deal of material revealing the stereotypical nature of Soviet "African" journalism.

Just Exotica Plus One Crocodile

An article in the popular newspaper MOSKOVSKIYE NOVOSTI was the first sign. Apollon Davidson, who covers African problems: "Our journalists have most often described events in Africa in a one-sided manner. According to their view it turns out that as soon as Africa throws off the yoke of colonialism everything will be just fine. And if people decide to build socialism then all problems will be resolved almost immediately." Apollon Davidson goes on to write: "We know the Flemings and the Welsh. There are barely 5 million Scots. We know about their epic literature, their music, their national costume. But few know which nationalities live in Nigeria, a large African country with a population of about 100 million."

An article published in LITERATURNAYA GAZETA in October 1987 was more critical. Boris Asoyan remarked that for most Soviet writers and journalists writing about Africa "is now just as easy as it was 20 years ago." They have a generally accepted scheme: "Add a little exotica to the struggle against imperialism, add a few words of praise spoken by some African about the socialist countries, and there you have—a finished article."

For those who have never seen Africa a different scheme is suggested: "Describe the seething continent from inside the walls of a Moscow office. Offer something like an article from a Western newspaper, written within the prescribed framework. Pad out the text with some lines

from a more successful article written by a fellow countryman. Add a quotation from some mythical black-skinned friend—and the article is done."

Asoyan admits that for the overwhelming majority of Soviet journalists and writers today's Africa is still the Africa of the era preceding independence, "that same mythical, exotic Africa with awe-inspiring jungles filled with snarling, man-eating lions and crocodiles.

Soviet journalists, Asoyan continues, have written about "maniacal and demagogic" leaders like Idi Amin from Uganda, Macias Nguema from Equatorial Guinea, and Bokassa from the Central African Republic as "military people with patriotic feelings," when in fact they were killers responsible for the deaths of thousands of their fellow citizens.

Asoyan suggests that perestroyka has forced Soviet journalists to take a more sober look at their reports from Africa.

Asoyan's article was published four years ago... But today, four years later, I think journalists should "take a more sober look" at our continent.

The impression is being created that perestroyka, glasnost, and the new thinking in international relations—the main points of the program for Gorbachev's revolution—are being spread only across Europe and America. As before Africa finds itself in the darkness of the era of stagnation. Perhaps this is the only way to explain the fact that almost every report from Africa in the Soviet media is necessarily accompanied by its stereotypical definition as the "black continent."

AIDS Is an Important Subject

Analysis of the pieces published also shows that despite widespread opinion about the objectivity, depth, and frequency of the materials, the Soviet press lags noticeably behind many Western publications. Even though in the West events in Africa are covered very meagerly and with too much sensationalism.

During the period November and December 1987, three of the leading Soviet publications—PRAVDA, IZVESTIYA, and NOVOYE VREMYA—published 107 reports about 23 African countries, while the newspapers THE DAILY TELEGRAPH and NEW YORK TIMES, and the journal NEWSWEEK carried 213 pieces about 22 countries.

Almost half of the material in the Soviet press was in the form of short reports, and only 27 of the total number dealt with important events in Africa. Some 25 were banal official information reports or "diplomatic news," mainly about the arrival or departure of delegations from Moscow or African countries. And about the same number, 106, were panegyric or objectivist in character. Less than 20 percent consisted of short news reports of

30 to 60 words, while 170 pieces were long articles in which exhaustive descriptions and analysis of events were offered.

It is impossible to explain these disproportions in the differences in the size of published pieces: In Western newspapers about as much space is given over to foreign news as in Soviet newspapers.

In the analytical articles in Soviet newspapers a spirit of tutorship and moralizing dominates. Those same Soviet journalists who are inclined to have sympathy for Africa have had to file moving reports about the hunger, the civil wars, the crocodiles in the Nile, the Egyptian mummies. The favorite subject for Soviet journalists is now the spread of AIDS. A well-known public affairs commentator with the liberal government daily IZVESTIYA, Aleksandr Bovin, writes "with concern" that by the end of the century AIDS will have ravaged the country, but he passes over in silence the attempts by African governments to prevent the spread of this disease. All the authoritative Soviet newspapers, including IZVESTIYA, have passed over in silence the information that a physician in Kenya recently invented a medicine, "Cameron," to deal with AIDS. And although the Vremya television program did announce this, it did not manage to avoid a racist note in the report: It was stated that the medicine is being tested in Africa but it was quite "forgotten" that it is also being tested in the United States and other Western countries.

Everything Just for a Filler?

If the news from Africa has been important or sensational, in Western publications it has been printed with big headlines. The Soviet press has regarded news from Africa as secondary. Even events that shake the whole world—the freeing of Nelson Mandela—was not "weighty" enough to find a place on the front page of PRAVDA. Soviet television reported Mandela's release at the "tail end" of the evening news program.

When Soviet television reported the historic visit to Africa by Foreign Minister Eduard Shevardnadze, for some reason the reportage was not accompanied by "pictures." Instead, the television screen showed a map of Africa... The report on the 26th Conference of Heads of State of the Organization of African Unity in Addis Ababa consisted merely of a list of all the continent's well-known troubles—the highest infant mortality rate and incidence of disease in the world, the lowest life expectancy, hunger, AIDS, the demographic explosion...

Whereas before the start of the glasnost period it was obligatory to accuse the West of promoting the deteriorating situation in Africa, and the transnational corporations of pillage, today they are no longer looking for guilty parties. If the West is not to blame then the hidden thought is instilled that the Africans themselves carry the responsibility for their unfortunate situation.

Of late, Soviet publications have started to reprint more often material from the foreign press. Foreign colleagues

are invited to write. But this practice is not being extended to African journalists. Articles from the African press are rarely seen on the pages of ZA RUBEZHOM, the weekly journal of the USSR Union of Journalists.

While African newspapers and journals make extensive use of TASS and IAN materials, Soviet newspapers carry less information emanating from African news sources like the PAN AFRICAN NEWS AGENCY, or the national agencies.

While African newspapers carry reports on visits by Soviet delegations to particular countries on the continent on the front page, under big headlines, even though more often than not the delegation is led by leaders from rayon or rural centers, Soviet newspapers remain silent about visits by African officials or they write about them only if a delegation is led by the leaders of African states.

Prisoners of Their Own Stereotypes.

Information about Africa in the Soviet press is still permeated with the spirit of basic primitivism, while Soviet journalists are doing little to change the barbaric, primitive, and exotic image of Africa that was created by the right-wing press in the West. Many journalists cannot move away from the standards of Soviet society: It is those standards that become the criteria for assessing African problems. Colleagues inclined toward a positive and friendly viewpoint are prisoners of their own sympathies, and as a result print tearful commentaries on poverty, debt, disease... And the impression is created that all Africa has is natural calamities, the tsetse fly, monkeys, crocodiles, locusts, and AIDS. This is why Soviet youth call African students "monkeys" and "AIDS carriers."

Of course, the real situation in Africa cannot be called absolutely favorable, and it would be dishonest to claim that there is no poverty, no epidemics, no unhappiness. But experience in the development of mankind shows that hopelessness often exists side by side with creativity, while submissiveness lives along with a burning desire to fight. Along with the poverty and penury, the despair and the hopelessness, Africans are engaged in a constant struggle to resolve these problems.

Of course, Africa itself has made its own small contribution to the creation of these problems, but the responsibility does not just lie with Africa. Forces beyond its confines were the prime influence in shaping the continent.

No one expects Soviet journalists to start praising the achievements of Africa. But I, personally, do expect them to provide high-quality reportage that is based on a careful analysis of events. Progression and regression, success and failure should be there together, regardless of who comes out on top.

The solidarity of the Soviet Union with African and other nonaligned states that has been so praised by

Soviet leaders has turned out in fact to be largely declarative. While until recently Soviet delegates at international forums used to criticize the West for "information imperialism," they prudently supported the status quo at home.

And I am not ready to respond to what People's Deputy Nikolay Travkin was allowed to state so arrogantly in the Leningrad newspaper LITERATOR, namely, that Africans are people who have only just come down from the palm trees.

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Future of RSA-USSR Relations Pondered

PM1211131591 Moscow IZVESTIYA in Russian
12 Nov 91 Union Edition p 7

[B. Pilyatskin article: "USSR-RSA: Consular Relations Restored"]

[Excerpts] Accords on establishing full diplomatic relations with the Baltics, on opening a South African mission in Kiev in the near future, and, most sensational of all, on resuming official relations (exchange of consular establishments) with the Soviet Union, which were severed in February 1956, were the result of Republic of South Africa [RSA] Foreign Minister Roelof Botha's lightning trip to Latvia, Estonia, Lithuania, the Ukraine, and Russia (St. Petersburg and Moscow). [passage omitted].

At a press conference in Moscow, Roelof Botha gave his interpretation of the changes taking place.

"I see no reason," he said, "why our peoples should be separated if Communism and apartheid have become a thing of the past."

I do not know what Soviet interlocutors said about our departed Communism behind the closed doors at the talks, but it is no secret that the circles responsible for our foreign policy have doubts as regards the disappearance of apartheid. Is that not the reason for a certain degree of inertia toward the RSA? This is confirmed by the fact that the initiative for Roelof Botha's coming to Moscow came from the South African side alone. It was a private, unofficial visit, despite long talks with B. Pankin, an hour-long conversation with RSFSR [Russian Soviet Federated Socialist Republic] Foreign Minister A. Kozyrev, and a big reception held in R. Botha's honor by the "Russia-South Africa" Society and attended by many members of the Union and Russian parliaments, leading USSR Foreign Ministry personnel, and even a member of the USSR Presidential Political Consultative Council.

Without doubt, the forthcoming exchange of consular establishments heralds definite progress toward full normalization of relations between our countries, something advocated by broad public circles in Russia. However,

something else is also known: The CPSU Central Committee International Department's years-long "monopoly on the RSA" and the constant looking over one's shoulder to the African National Congress [ANC] and the South African Communist Party have effectively atrophied the Foreign Ministry's South African activity.

Thank God, there is no need to ask a foreign organization (the ANC) for its assent before an RSA minister visits our country, and the stance taken by T. Temba, the ANC's representative in Moscow who declared the visit "premature," does not prevent the taking of foreign policy steps which our government considers necessary and timely. But there is another point. The "Israeli syndrome" still looms over the South African problem—the restoration of diplomatic relations is viewed as some kind of reward "for good behavior."

I think that the belated decision on Israel shows that the civilized means of resolving interstate and international problems is to establish normal diplomatic relations, I would like to hope that this view also extends to the RSA. In that case it is quite possible that agreement will be reached on exchanging ambassadors extraordinary and plenipotentiary before year's end when RSA President Frederik de Klerk stops over in Moscow by mutual agreement en route from Asia.

What does Roelof Both think about our diplomatic relations? Let me quote his response to my question.

"As far as we are concerned, there are no obstacles standing in the way of immediately establishing these relations. It is not a question of our gaining any unilateral political advantages. A year or two ago, from the propaganda viewpoint, it would have been good to 'hook the USSR.' But our international isolation has been broken—Japan, the United States, virtually the whole of Africa, and the European Community have lifted sanctions. Therefore we have a totally different approach to the USSR. We are acting on the premise that close cooperation may be possible. Both our countries are experiencing a period of transition and are facing the same task—to broaden democracy. So, let us help and support one another and extend the hand of assistance."

The RSA foreign minister broached specific areas where experience accumulated by both countries could be used. Deep drilling, medicine, and agriculture, not to mention the utility of formulating common approaches to selling gold and platinum, with the RSA and USSR accounting for 80-90 percent of the total world output of these commodities. The RSA has tremendous economic potential. Suffice it to say that its GNP expressed in value terms of \$155 billion is equivalent to the product of all 40 African countries south of the Sahara. And, as R. Botha stressed, Soviet businessmen are eagerly awaited in the RSA.

But all this lies in the future. Now experts have to tackle an intricate matter: How best to put the agreement on

restoring consular relations into practice. The two countries' interests sections are operating in Moscow and Pretoria at the Austrian embassies in the USSR and RSA respectively. If the sections are just expanded by the addition of consular departments, artificial Austrian "patronage" will survive. If the consulates are autonomous (the RSA intends to open two in the near future—in Moscow and St. Petersburg), how will the interests sections team up with them even if they do not have the right to fly their national flags.

As we can see, there is food for thought. But one thing can be predicted today: South African consulates will not go unnoticed by our potential emigres. At a meeting with journalists, R. Botha said that a parliamentarian—a representative of Estonia's Russian-speaking population—asked him to open up the RSA to Russians if their rights start to be flouted in the Estonian republic. The minister promised to carefully consider this request.

It seems that it will not be the only one...

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